EC Multiple FRAMEWORK CONTRACT BENEFICIARIES Programme

Public Expenditure and Financial Accountability (PEFA) Assessment 2014

Project No. 2014/337137/1

The Gambia

Draft Report

12 November 2014

This project is funded by
The European Union

A project implemented by
ACE International Consultants

Draft Report

Project No. 2014/337137/1

By

Elena Morachiello
Dan Nicolau
Charles Komla Hegbor

Presented by

ACE, International Consultants (Spain)

ACE
INTERNATIONAL CONSULTANTS SL
An AECOM Company

In consortium with

KPMG

Table of Contents

Acronyms and Abbreviations

AfDB	African Development Bank
AFROS	Al African Organization of Supreme Audit Institutions
AG	Auditor General
AGA	Autonomous Government Agency
AM	Aide Memoire
BD	Budget Directorate
BCC	Budget Call Circular
BFP	Budget Framework Paper
BTL	Below The Line (accounts)
CA	Current Assessment
CAS	Country Assistance Strategy
CBG	Central Bank of The Gambia
CEB	Country Economic Background
CFAA	Country Financial Accountability Assessment
CG	Central Government
CoA	Chart of Accounts
COFOG	Classification of the Functions of Government
CPI	Consumer Price Inflation
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
DBS	Direct Budget Support
DfID	Department for International Development
DLMD	Directorate Loans and Debt Management
DOSFEA	Department of State for Finance and Economic Affairs
DNT	Directorate of National Treasury
DPs	Development Partners
DDP	Directorate of Development Planning
DRF	Drug Revolving Fund
DSA	Debt Sustainability Analysis
ECF	Extended Credit Facility
EU	European Union
EUD	European Union Delegation
FAD	Fiscal Affairs Department
FI	Financial Instructions for the Implementation of the Government Budget Management and Accountability Act, 2004.
FY	Fiscal Year
GBMAA	Government Budget Management and Accountability Act
GFS	Government Finance Statistics
GFSM	Government Finance Statistics Manual
GLF	Gambia Local Funds
GMD	Gambian Dalasi (local currency)
GoTG	Government of the Gambia
GPPA	Gambia Public Procurement Authority
GRA	Gambia Revenue Authority
IAD	Internal Audit Directorate
IFAC	International Federation of Accountants
IFMIS	Integrated Financial Management Information System
IIA	Institute of Internal Auditors
IMF	International Monetary Fund
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
IR	Inception Report
LCs	Local Councils
LFC	Liquidity Forecasting Committee
LGFAA	Local Government Finance and Audit Act
LGA	Local Government Authorities
LG	Local Government

MDAs	Ministries Department and Agencies
MDGs	Millennium Development Goals
MoBSE	Ministry of Basic and Secondary Education
MoFEA	Ministry of Finance and Economic Affairs
MoTIE	Ministry of Trade, Regional Integration and Employment
MoTWI	Ministry of Transport, Works and Infrastructure
MoWCI	Ministry of Ministry of Works, Construction and Infrastructure
MPAU	Macro Policy Analysis Unit
MTDS	Medium-Term Debt Strategy
MTEF	Medium-Term Expenditure Framework
NA	National Assembly
NAO	National Audit Office
NAWEC	National Water and Electricity Company
NDB	Net Domestic Borrowing
NFF	National Forestry Fund
NGO	Non-Governmental Organization
NHA	National Health Accounts
NPC	National Planning Commission
NRA	National Roads Authority
PA	Previous Assessment
PAC/PEC	Public Accounts Committee/Public Enterprises Committee
PAGE	Programme for Accelerated Growth and Employment
PB	Program Budgeting
PBB	Performance Based Budgeting
PE	Public Enterprise
PEs	Public Entreprises
PEFA	Public Expenditure and Financial Accountability
PETS	Public Expenditure Tracking Survey
PFM	Public Financial Management
PFMCC	Public Financial Management Coordination Committee
PFM-PR	Public Financial Management Performance Report
PI	Performance Indicator
PIN	Personal Identification Number
PIMS	Personnel Information Management System
PMF	Performance Measurement
PMO	Personnel Management Office
PO	Procurement Organisation
PPA	Public Procurement Act
PRSP	Poverty Reduction Strategy Paper
PS	Permanent Secretary
PSC	Public Service Commission
PSDUs	Primary Service Delivery Units
PURA	Public Utilities Regulation Authority
SAI	Supreme Audit Institution
SBD	Standard Bidding Documents
SDF	Social Development Fund
SNG	Sub-National Government
TA	Technical Assistance
TIN	Taxpayer Identification Number
TSA	Treasury Single Account
ToR	Terms of Reference
WB	World Bank
WDI	World Development Indicators

Fiscal Year in Gambia: 1st of January to 31 December
Currency unit = Gambian Dalasi (GMD)
Exchange rate US$1 = 39.64 GMD (as at October 4, 2014)

Acknowledgements

The PEFA Assessment Team wishes to place on record its sincere thanks and appreciation to all those in Government, the private sector and civil society who gave generously of their time to share their knowledge, experience and perspective with the assessors and to provide information. Staff of the Ministry of Finance and Economic Affairs (MoFEA) from all Directorates; staff of the GPPA, the GRA, the NAO, National Assembly Members, the PMO, and Line Ministries' personnel all actively and thoughtfully engaged with the Team during the mission. Special thanks are due to the Budget Directorate and the National Treasury Directorate for responding to multiple data and meeting requests.

Special thanks are also due to Mr. Bai Madi Ceesay and his team in the PFM Reforms Unit of MoFEA --Ms. Mariama Jeng-Mboge, Ms. Awa Jobe Drammeh, Mr. Abdou Salam Jatta and Ms. Sarjo Sarr-- for assisting the Assessment Team, closely and kindly, to organise a comprehensive programme of meetings and workshops and to collect information. The Team would also like to thank Ms. Agnes Guillaud and Mr. Josselin Amalfi from the European Union Delegation for coordinating and providing overall support to the Assessment.

Integrated Summary Assessment

I. Integrated Assessment of PFM Performance

A. Credibility of the budget

An important consideration in the assessment is an appreciation of the quality, comprehensiveness and accuracy of data that is used to determine the budget credibility indicators. The reliability of these indicators can only be as good as the accuracy of the financial data upon which they were calculated. Issues relating to data consistency and accuracy were noted regarding the data provided for measuring budget credibility, with data varying depending on the source (especially for revenue and expenditure arrears).

The data provided show that budget credibility as measured by deviations in primary expenditure compared to budgeted expenditure is weak. This applies to credibility measured both by the overall deviation in expenditure and by the deviation in the composition of expenditure. In FYs 2011-2013, actual expenditure deviated from budgeted expenditure by more than 10% in two FYs (FYs 2012 and 2013). Moreover: (i) the deviation is positive, with actual expenditure being above budgeted; and, (ii) the size of the deviation is increasing recently, with a peak of 31.4% in FY 2013. Besides, budget credibility measured by the overall deviation in expenditure declined compared to the results of the 2010 PEFA Assessment (PI-1). The variance in expenditure composition was greater than 15% in two of the three FYs assessed (in FYs 2012 and 2013). Like for PI-1, the deviations are positive, and the highest deviation was reached in the most recent FY, with the composition variance attaining 23.2% in FY 2013 (PI-2). On the positive side, the amount charged on average to the contingency vote over FYs 2011-2013 was low, at just over 2% of the budget. Results for aggregate revenue out-turn compared to original approved budget were also quite satisfactory, with actual domestic revenue varying between 94% and 112% of budgeted domestic revenue in two of the three FYs assessed (PI-3). The same cannot be said of the results on expenditure arrears, which undermine both the credibility of the budget and fiscal discipline. Government arrears are not systematically monitored, remain largely unreported and their full amount is not known. No inventory of arrears was performed during the past two years (or before then) by the authorities. A clear definition of arrears is also lacking and so are clearly defined procedures for their monitoring and validation (PI-4). The indicator on expenditure arrears was not scored by the 2010 Assessment, in the absence of reliable and comprehensive information. In 2014, the indicator is again not rated on too similar grounds.

B. Comprehensiveness and transparency

The administrative and economic classifications in use in the budget and in the accounts are in line with international standards (GFS). The classification in use also comprises a functional classification that is however not yet fully in line with international standards represented by the UN Classification of the Functions of Government (COFOG) --see PI-5. The budget documentation sent to Parliament is comprehensive and fully meets 6 out of the 9 PEFA information benchmarks, and a seventh partially. Moreover, comprehensiveness has improved since the 2010 PEFA Assessment (see PI-6). The coverage of donor-funded project expenditure through loans and grants has also improved since the 2010 Assessment, both in the budget and in the accounts. Loans are fully captured, whereas the coverage of grants can improve further, especially in the accounts (PI-7(ii)). Several sources of unreported CG operations were identified, arising from the many subvented agencies, from funds and from self-raised revenue in Education. These could only be partially quantified in terms of % of total CG expenditure, at 2.25% in FY 2013. The subventions to funds, Public Enterprises (PEs) and subvented agencies are however reported (PI-7 (i)). The basis for actual transfers from CG to Local Councils (LCs) needs to be made more transparent. The horizontal allocation of transfers to LCs is defined by law and clear and transparent formulae are used: however the percentage of actual transfers determined by transparent rules could not be assessed. LCs cannot anticipate the funds they will receive from CG and, in practice, they do not receive confirmation of the global allocation from CG in time to allow them to revise and present their budget for approval. Fiscal information supplied by the LCs is not yet consistent with CG's fiscal reporting (PI-8). As in the 2010 Assessment, the monitoring of fiscal risk arising from PEs and especially from Autonomous Government Agencies (AGAs) is significantly incomplete; with no consolidated reported issued. Progress has been made in the monitoring of fiscal risk arising from LCs compared to the 2010 Assessment, with a comprehensive and regular monitoring of LCs' fiscal position by the Ministry of Lands and Regional Government (PI-9). Some progress has also been made in public access to key fiscal information compared to the 2010 Assessment, although not enough. The public can access the annual budget documentation as submitted to the National Assembly, and in a timely manner, but not the other five elements identified by the Framework. These relate to: in-year budget execution reports, year-end financial statements, external audit reports, information on procurement contract awards and on funds to primary service-delivery units (PI-10).

C(i). Policy-based budgeting

The process to prepare the annual budget is assessed as satisfactory. The budget calendar is clear and adhered to and provides MDAs sufficient time to submit meaningful budget proposals. The Budget Call Circular (BCC) provides adequate guidance to MDAs for the preparation of budget submissions. It includes ceilings, which, since the introduction of the Budget Framework Paper (BFP), are also pre-approved by Cabinet. This particular development represents a progress compared to the 2010 Assessment. The annual budget was found to be approved by Parliament before the start of the new FY for all past three budgets; this was also the case as per the 2010 Assessment (see PI-11). The multi-year perspective in fiscal planning, expenditure policy and budgeting, was also assessed as satisfactory and has significantly improved since 2010. Overall forecasts of fiscal aggregates are now developed and presented in the BFP. They are developed for three years on a rolling basis; expenditure forecasts are detailed by administrative and economic category, but not yet by function or sector. The Programme for Accelerated Growth and Employment (PAGE) provides an overall policy anchor for the budget and the MTEF, to which sector strategies can also be aligned. Several sectors (amounting to just under a third of total primary expenditure) had costed strategies in FY 2013 that were also broadly consistent with fiscal forecasts. Investments are selected on the basis of the strategies for the sectors with costed strategies. Recurrent cost implications are reasonably included in overall forward budget estimates. The size of primary expenditures for which costed strategies are formulated will increase as more sectors are already developing costed statements in FY 2014, and so will the inclusion of recurrent cost implications in forward fiscal aggregates. A Debt Sustainability Analysis (DSA) was undertaken at least annually during the past three years (ref. PI-12).

C(ii). Predictability and control in budget execution

The Gambian tax and customs legislation is fairly comprehensive and clear and includes certain limited discretionary powers. Taxpayers have access to information on tax liabilities and administrative procedures, but the usefulness of the information is limited due to the coverage of selected taxes only. The Gambia Revenue Authority (GRA) regularly undertakes taxpayer education and dissemination campaigns. A Tax appeals mechanism designated by the law that meets PEFA criteria was instituted; however it is not yet fully operational so that it is too early to assess its effectiveness. Taxpayers are registered in databases for individual taxes, which are not however fully linked. Although penalties for non-compliance exist in the law for almost all relevant tax areas, the amount of penalties collected in practice could not be assessed. Routine compliance tax audits and fraud investigations are conducted regularly, but audits are not yet based on clear risk-based assessment criteria. Insufficient attention is paid to a systematic monitoring of tax arrears collection. A complete reconciliation between revenue collected and transferred takes place at least annually within three months of end of the year; however, the reconciliation does not include total tax assessed compared to tax collected and remitted to the Treasury and tax outstanding.(See PI-13, PI-14, and PI-15).

Performance under the predictability in the availability of funds for commitment of expenditures has remained mostly unchanged since the 2010 Assessment. A yearly consolidated cash forecast was not issued for FY 2013, with the cash forecasting function resuming in mid-2013. In FY 2014 a cash forecast was developed for the year and updated monthly; that said, some concerns regarding its accuracy have been raised. As in the 2010 PEFA, information to MDAs for committing expenditures is provided on too short a notice, as MDAs are informed by the Budget Directorate (BD) on their commitment ceilings one month in advance. Commitment is done on the basis of the cash allotments to MDAs, which are allocated on a monthly basis. Almost boundless in-year reallocations are allowed between budget headings; most are decided and all are approved above the level of management of the MDAs. The in-year reallocations are too frequent and not undertaken with sufficient transparency (see PI-16). Domestic and foreign debt records are quite comprehensive, updated and reconciled regularly with data considered of fairly high integrity. Most cash balances are calculated and consolidated at least weekly, but some extra-budgetary funds and AGAs still remain outside the consolidation process. Central government's contracting of loans and issuance of guarantees are made against transparent criteria and fiscal targets and always approved by a single responsible government entity. Overall, performance relating to the recording and management of cash balances, debt and guarantees (see PI-17), already found to be satisfactory by the 2010 Assessment, has improved further. The payroll and personnel databases are not fully integrated. Delays sometimes occur between changes in the personnel records and changes in the payroll, but these are usually operated within a month and rarely beyond three months. Controls on the payroll are adequate and authority to change the personnel and payroll records is clear and restricted. Complete audits or staff surveys have been undertaken within the last three years at the ministry and department level under PMO coordination and supervision (see PI-18).

PI-19 was not assessed by the PEFA 2010: over the last years progress was nonetheless made as part of the ongoing PFM reform programme. The legal and regulatory framework for procurement based on the Public Procurement Act (PPA) is organized hierarchically and precedence is clearly established, based on well-established and internationally agreed procurement standards. All PEFA requirements for the legal and regulatory framework for procurement are met, except for one. The PPA establishes open competition as the preferred method of procurement and clearly defines the situations in which other methods can be used, and the justification required as to their use. That said, the only information made public through appropriate means relates to the bidding opportunities. Also, although a Complaints Review Board was established by law, and meets all 7 PEFA criteria, the Board was not yet operational at the time of the Assessment (see PI-19). Controls for non-salary expenditure have remained unchanged since the last PEFA Assessment. The Integrated Financial Management Information System (IFMIS) is the main commitment control tool. Regional administrations and some government departments and agencies commit and pay for expenditure using the central payment system. Some expenditures are committed outside IFMIS even for those line ministries with full access to IFMIS as well as government departments and agencies using the centralised payment system; thereby accumulating expenditure arrears (see PI-20). Internal audit functions are centralised in the Ministry of Finance and Economic Affairs (MoFEA). Even though there has been some improvements over the past years, it remains largely an ex post function. Lack of human capacity affects its overall function; the internal audit directorate undertakes at least one internal audit activity in most line ministries annually. Available evidence suggests little executive action on internal audit findings and recommendations, following the issuance of annual internal audit reports (see PI-21).

C(iii). Accounting, recording and reporting

The Treasury Single Account (TSA) is not yet operational. In addition to the Consolidated Fund account, there are other sub-consolidated bank accounts, all held at the Central Bank of The Gambia (CBG). The cash management module of IFMIS has a direct interface with the Central Bank banking platform that allows real time cash positions held at any point in time to be ascertained. Bank reconciliation takes place on all bank accounts held by the Treasury within a month after the end of the preceding year, including commercial bank accounts for regional administrations. Reconciliation of public entities bank accounts as well as donor funded project/programme accounts do not form part of the monthly Treasury reconciliation process. Reconciliation of advances and suspense accounts takes place within two months after year-end but with significant un-cleared balances (see PI-22). The chart of accounts (CoA), at present, is functional and capable of capturing financial information up to the sub-vote level. Even though it has functionality for a sub-sub-vote level, it is currently inactive. Resources received by primary service delivery units such as primary schools and clinics have seen some improvements in terms of financial reporting and expenditure tracking surveys. While the Ministry of Health and Social Welfare (MoHSW) uses a bespoke software to prepare the National Health Accounts (NHA) that provide financial information on primary healthcare system, the Ministry of Basic and Secondary Education (MoBSE) conducts surveys on resources received by primary and secondary schools (see PI-23). The rollout of IFMIS to all line ministries at central government level has improved in-year budget reporting, which occurs monthly within 4 weeks after the end of the preceding year. Both the in-year budget execution reports, which capture expenditure at both the commitment and payment level, and the annual financial statements are compatible with the approved budget estimates and allow for easy statistical analysis. Concerns have been raised referencing data quality but these do not generally affect the usefulness of financial information (see PI-24). The Government has adopted IPSAS cash accounting basis for financial reporting; this is consistently reported and applied. Hitherto, a huge backlog of central government financial statements existed; significant efforts have been made to clear the backlog. At present, the 2013 consolidated annual financial statements have been prepared and submitted for external audit (see PI-25).

C(iv). External scrutiny and audit

Even though the general INTOSAI auditing standards are adhered to, both the financial and operational independence of the Auditor-General and the National Audit Office (NAO) are seriously undermined by the fact that the NAO is a department under the Office of the President, and the MoFEA controls the budget of the NAO. Staff arrangements of the NAO are controlled and regulated by the Public Service Commission (PSC). External audit largely focuses on financial audit, with little system audit. Lack of human capacity and capability has affected the ability of the NAO to carry out any performance audit; there are efforts to build technical staff capacity in this regard. The backlogs referencing the preparation of consolidated annual financial statements over the past years has affected the NAO, further constrained by human capacity, to complete annual external audit in a timely manner, thereby impacting negatively on the timely submission of audit reports to the National Assembly (see PI-26). Although a BFP, including medium-term policy priorities and forecasts, is now issued by MoFEA, it is not submitted to the National Assembly (NA). Fiscal policy information is provided to the NA through the budget speech, yet at the end of the review process. As a result, as per the 2010 Assessment, the legislature's review mainly covers the detailed estimates of revenue and expenditure and at a stage in which these have been finalised. Procedures for the review of the budget are specified in the legal framework and are respected but they do not include a specialised committee. Moreover, the time allowed by the legal framework for the review of the budget (two weeks) is inadequate. The rules for in-year budget amendments by the executive are clear and respected: though they do not allow for an expansion of total expenditure, they consent to extensive administrative reallocations, via *virements* (see PI-27). There is little evidence of executive action on both recommendations from Auditor General and the Public Accounts Committee/Public Enterprises Committee (PAC/PEC), even though officials have indicated the strongest political will to ensure full implementation of these recommendations, especially with the setting up of an implementation committee. Public hearings occur with the summoning of public officials whose audit reports have a qualified opinion (see PI-28).

Donor practices

The majority of donors provide estimates on donor projects and programmes to the government for inclusion into the budget before the new FY; the estimates are however inconsistent with government budget classification in most cases. Reporting on actual cash flows are also rare and infrequent for inclusion into government consolidated financial statements. The use of country PFM systems in aid disbursement in The Gambia is significantly low and decreasing: 12% according to FY 2012 data and a little above 1% according to FY 2013 data (see D-2 and D-3).

Table 0.1 Overall summary of PFM Performance Scores - 2014 Assessment

PFM Performance Indicator (PI)		Scoring Method	Dimension Ratings				Overall Rating
			i.	ii.	iii.	iv.	
A. PFM-OUT-TURNS: Credibility of the budget							
PI-1	Aggregate expenditure out-turn compared to original approved budget	M1	C				**C**
PI-2	Composition of expenditure out-turn compared to original approved budget	M1	D	A			**D+**
PI-3	Aggregate revenue out-turn compared to original approved budget	M1	B				**B**
PI-4	Stock and monitoring of expenditure payment arrears	M1	NR	D			**NR**
B. KEY CROSS-CUTTING ISSUES: Comprehensiveness and Transparency							
PI-5	Classification of the budget	M1	C				**C**
PI-6	Comprehensiveness of information included in budget documentation	M1	B				**B**
PI-7	Extent of unreported government operations	M1	NR	C			**NR**
PI-8	Transparency of inter-governmental fiscal relations	M2	D	D	D		**D**
PI-9	Oversight of aggregate fiscal risk from other public sector entities	M1	D	C			**D+**
PI-10	Public access to key fiscal information	M1	C				**C**
C. BUDGET CYCLE							
C(i) Policy-Based Budgeting							
PI-11	Orderliness and participation in the annual budget process	M2	B	A	A		**A**
PI-12	Multi-year perspective in fiscal planning, expenditure policy and budgeting	M2	C	A	B	C▲	**B▲**
C(ii) Predictability and Control in Budget Execution							
PI-13	Transparency of taxpayer obligations and liabilities	M2	B	B	C▲		**B▲**
PI-14	Effectiveness of measures for taxpayer registration and tax assessment	M2	C	C	C		**C**
PI-15	Effectiveness in collection of tax payments	M1	D▲	B	C		**D+**
PI-16	Predictability in the availability of funds for commitment of expenditures	M1	D▲	C	D		**D+**
PI-17	Recording and management of cash balances, debt and guarantees	M2	B	B	A		**B+**
PI-18	Effectiveness of payroll controls	M1	C	B	B	B	**C+**
PI-19	Transparency, competition and complaints mechanisms in procurement	M2	B	D	D	D ▲	**D+ ▲**
PI-20	Effectiveness of internal controls for non-salary expenditure	M1	B	C	C		**C+**
PI-21	Effectiveness of internal audit	M1	C	B	D▲		**D+**
C(iii) Accounting, Recording and Reporting							
PI-22	Timeliness and regularity of accounts reconciliation	M2	B	C			**C+**
PI-23	Availability of information on resources received by service delivery units	M1	C▲				**C▲**
PI-24	Quality and timeliness of in-year budget reports	M1	A	A	B		**B+**

PFM Performance Indicator (PI)		Scoring Method	Dimension Ratings				Overall Rating
			i.	ii.	iii.	iv.	
PI-25	Quality and timeliness of annual financial statements	M1	C	B	B		**C+**
C(iv) External Scrutiny and Audit							
PI-26	Scope, nature and follow-up of external audit	M1	C	D	D ▲		**D+**
PI-27	Legislative scrutiny of the annual budget law	M1	C	B	D	B	**D+**
PI-28	Legislative scrutiny of external audit reports	M1	D	B	C ▲		**D+**
D. DONOR PRACTICES							
D-1	Predictability of Direct Budget Support	M1	NR	D			**NR**
D-2	Financial info provided by donors on project and program aid	M1	C	D			**D+**
D-3	Proportion of aid that is managed by use of national procedures	M1	D				**D**

II. Assessment of the impact of PFM weaknesses

1. Aggregate Fiscal Discipline

Aggregate fiscal discipline is weakened by the high variation between actual expenditure and the expenditure approved in the original budget. This applies both to expenditure at the overall level and to the expenditure at the level of the 20 main administrative headings and MDAs. Moreover, the variation is positive: actual expenditure has been invariably higher than originally budgeted for all three FYs assessed. The variation in overall expenditure is mainly caused by the resort to supplementary budgets during the year approving significantly higher levels of total expenditure than initially appropriated in the original budget; as was the case in FY 2013. The variation in expenditure composition is rooted in the wide scope allowed by the legal framework for in-year reallocations between administrative headings, through virements, and by the frequent resort to such reallocations in practice. The Assessment also witnessed a deteriorating trend with the variation increasing in size in recent years, reaching its peak in FY 2013, for both the overall deviation and the variation in expenditure composition. Results on domestic revenue outturns show that actual revenue tends to be lower than the budgeted level (this was the case in two out of the three FY assessed). Read together, the Assessment's findings on the variation in expenditure and revenue are not reassuring on the Government's ability to maintain fiscal targets and reverse recent negative trends in the fiscal balance. The Government also needs to comply with prudent fiscal management under the IMF Extended Credit Facility (ECF) agreement. Results on expenditure arrears are even less comforting, as they indicate that government arrears are not systematically monitored, remain largely unreported and, as a result, their total stock is not precisely known to date.

2. Strategic Allocation of Resources

The process followed for the preparation of the annual budget is good and allows for the translation of the GoTG's policy priorities, as stated in the PAGE, in the annual approved budget. The ongoing implementation of the MTEF is seeking to insure that the same policy priorities are also reflected in the budget over the medium-term. A three-year BCC is distributed to MDAs and sectors are increasingly formulating fully costed strategies, in line with the overall development priorities stated in the PAGE. Moreover, through the BFP and the three-year BCC, a system has been put in place to translate sector allocations into aggregate forward estimates and to account for the recurrent cost implications of investment. Today, these achievements towards a strategic allocation of resources are jeopardized by: (i) a system that gives MDAs only one month notice to commit expenditures during budget execution; (ii) a legal framework that still grants the executive the liberty to substantially alter, during budget execution, the allocation of resources approved through the appropriation bill by Parliament. The Government Budget Management and Accountability Act (GMBAA) provisions to this end have been left unaltered in the recently enacted new Public Finance Bill. A significant opportunity to protect the strategic allocation of resources from practices deeply detrimental to it has thus been missed. The strategic resource allocation is also weakened by the accumulation of unreported and unmonitored arrears. This has caused new and supplementary appropriations to be directed to the payment of outstanding arrears from the preceding years, as in FY 2013, rather than to the implementation of programmes promoting the attainment of Government policy objectives.

3. Efficient Service Delivery

Resources available to the government for economic and social development remain scarce. The effect of non-compliance with internal control rules and procedures undermines efficient service delivery through potential wastage of resources. Efficient service delivery is also jeopardised by arrears accumulated outside the system, which, as abovementioned, have caused new and supplementary appropriations to be directed to the payment of outstanding arrears from previous years, and by the large reallocations during the year between budget headings. Internal controls for non-salary expenditure remain unchanged, likewise with internal audit functions, which are largely ex-post with limited human resource capacity even though there are indications of improvement. The TSA is yet to be implemented. At present, even though the Treasury has a firm control on all Treasury-managed bank accounts, service delivery will be enhanced when the TSA is fully operational, bringing on board all government accounts held in commercial banks as well as donor project accounts. The tracking of resources to primary service delivery units has improved, providing financial information for managers of the economy and the public for general accountability. Timely consolidated financial reporting has seen some improvements, thereby contributing to public accountability, with the support of the Supreme Audit Institution (SAI) and the Legislature.

III. Change in performance since the 2010 assessment

The 2014 Gambia Assessment is a repeat assessment. A Previous Assessment (PA) was undertaken in Gambia in 2008 and published in 2010 as part of the *Country Financial Accountability Assessment (CFAA)*.[1] This implies that there is a basis for reviewing the progress of Public Financial Management (PFM) in Gambia over time, which is a major objective of the PEFA programme. It also has a major influence on the way in which the Public Financial Management Performance Report (PFM-PR) is framed, with a focus not only on assessing the most recent performance, but also identifying the change that has occurred since 2008 and the 2010 Report.

The 2014 Assessment has thus compared performance in 2014 as measured by the Framework and its PIs to that witnessed in 2008. In line with the *Guidance Note on Repeat Assessments*, the 2014 Gambia PEFA Assessment has not only compared any eventual changes in the scores of PIs, but also assessed whether the changes in scores represent a change in actual performance.

It has:

- identified whether the scores are comparable;
- if there are "other factors" influencing the change in scores besides performance, such as:
    - a different methodology used to assess a PI between the two Assessments;
    - a different interpretation of the framework requirements by the two

[1] Two versions were actually released: a 2009 and a 2010 version. The Report refers to the 2010 published report, as the ToR for the assignment refer to the 2010 issued report as the reference for the PA.

Assessment Teams;
   - Evidence that was available to the 2014 Assessment team to rate a PI that was not available to the team of the PA.

The scores for the PA are referred to as "2010 scores" as they were finalised in 2010, although the data collection exercise took place in 2008.

While the PEFA methodology provides a direct basis for tracking performance over time, the changes in scores, for the above-mentioned reasons, need to be interpreted with care to be meaningful. Moreover:

- For three indicators (PI-2, PI-3 and PI-19), the methodology for scoring and calibration of indicators has been revised since January 2011: therefore the PI scores and the 2010 and 2014 Assessments results are not directly comparable for these three PIs.
- Six PIs (PI-4, 15, 19, and D-1, 2 3) were not scored in the 2010 PEFA. Four of these (PI-19 and the D set) were not assessed at all[2]. PIs 4 and 15 were assessed, but (incorrectly) assigned a score of "NS" as dimensions PI-4 (i) and PI-15 (i) could not be rated, though the PA assigned a "NS" score to these dimensions. This entails that :
   - a comparison between 2010 and 2014 results could not be made for D-1,D-2, D-3;
   - PI-19 2010 and 2014 results are not comparable for additional reasons.

Based on the degree to which performance can be compared, the table below summarises the changes in performance since the 2010 PEFA Assessment. Direct comparison with the scores from the PA can be made for 12 of the PIs. Even for the several PIs for which scores are not directly comparable, however, the Assessment has been able to assess performance change. As a result, the Assessment can conclude that performance has slipped only for one PI, and for over half of the PIs, performance has improved. Moreover, signs of improvement were witnessed in many dimensions, which are reflected by the upward arrows next to several dimension ratings, and some overall scores (ref. Table 1.2).

Table 1.1.b: Summary of changes in performance since the 2010 Assessment

Changes in performance	Number of PIs	PIs directly comparable	PIs not directly comparable
Improvement in performance	17	PI-9, PI-10, PI-18, PI-21, PI-22, PI-23, PI-24, PI-28	PI-6, PI-7, PI-11, PI-12, PI-13, PI-14, PI-15, PI-17, PI-25
Slippage in performance	1	PI-1	
No changes in performance	7	PI-8, PI-20, PI-26	PI-4, PI-5, PI-16, PI-27
Performance change cannot be assessed	6		PI-2,PI-3, PI-19, D-1, D-2, D-3

The table below summarises the scores, their comparability and the change in performance since the PA.

[2] PI-19 was attributed an overall score of "NS" by the PA, but no text was presented and the individual dimensions were N/A.

Table 0.2 : Change in performance since 2010 assessment

(The same analysis detailed by dimension is included in Annex 1).

	PFM Performance Indicator	Scoring Method	2010	2014	Comparable (Y/N)	Performance Change
PI-1	Aggregate expenditure out-turn compared to original approved budget	M1	B	C	Y	**Performance has slipped.** Aggregate expenditure deviation exceeded 10% in one of the three FYs assessed by the 2010 Assessment, and in two of the three FYs assessed by the 2014 Assessment.
PI-2	Composition of expenditure out-turn compared to original approved budget	M1	C	D+	N	Slippage in scores. **Change in performance is not assessed as the scores are not comparable.** The assessment methodology for PI-2 was revised in 2011.
PI-3	Aggregate revenue out-turn compared to original approved budget	M1	B	B	N	No change in scores. **Performance change not assessed** since scores are not comparable. Methodology for PI-3 was revised in 2011**.**
PI-4	Stock and monitoring of expenditure payment arrears	M1	NS	NR	N	**Though scores are not comparable, no change in performance.**
PI-5	Classification of the budget	M1	B	C	N	**No performance change.** The PA overrated the PI. Though scores are not comparable, change in performance can be assessed**.**
PI-6	Comprehensiveness of information included in budget documentation	M1	B	B	N	**Though the score is the same, performance has improved.** 4 of 9 information benchmarks were met in the PA, and 6 of 9 are met in the 2010 Assessment. The PA incorrectly assessed that 5 out of 9 benchmarks were met, so that the actual performance improvement is more than an improvement within the "B" rating range. Though scores are not comparable, change in performance can be assessed**.**
PI-7	Extent of unreported government operations	M1	D+	NR	N	**Overall improvement in performance due to improvement in dimension (ii).** Though the scores are not comparable overall, scores for dimension (ii) are.
PI-8	Transparency of inter-governmental fiscal relations	M2	D	D	Y	**Scores are comparable.** **No change in performance.**

PI-9	Oversight of aggregate fiscal risk from other public sector entities	M1	D	D+	Y	**Improvement in performance mostly due to improvement in performance for dimension (ii).**
PI-10	Public access to key fiscal information	M1	D	C	Y	**Improvement in performance**. From no information element publicly accessible as per the 2010 Assessment, to one information element made publicly available in 2014.
PI-11	Orderliness and participation in the annual budget process	M2	B	A	N	**Improvement in performance due to improvement in dimension (ii),** given increased political involvement in the setting of budget allocations, as the ceilings distributed to MDAs are now pre-approved by Cabinet. Though scores are not comparable, change in performance can be assessed.
PI-12	Multi-year perspective in fiscal planning, expenditure policy and budgeting	M2	D+	B▲	N	Though scores are not comparable, change in performance can be assessed**. Performance has improved due to improvement in performance in all four dimensions.**
PI-13	Transparency of taxpayer obligations and liabilities	M2	C	B▲	N	**Although overall scores are not comparable, improvement in performance** due to improvement in dimensions (i), (ii) and (iii).
PI-14	Effectiveness of measures for taxpayer registration and tax assessment	M2	C	C	N	Overall score is unchanged. That said, **performance has improved** due to performance improvement in dimension (iii).
PI-15	Effectiveness in collection of tax payments	M1	NS	D+	N	Overall scores are not comparable. That said, **performance has improved** due to improvement in dimension (iii).
PI-16	Predictability in the availability of funds for commitment of expenditures	M1	C	D+	N	Though scores are not comparable, change in performance can be assessed**. No overall change in performance** despite the change in scores.
PI-17	Recording and management of cash balances, debt and guarantees	M2	B	B+	N	Though overall scores are not directly comparable**, performance has improved** thanks to performance improvement for dimension (iii).
PI-18	Effectiveness of payroll controls	M1	C+	C+	Y	Scores are comparable. **Overall performance has improved** due to positive changes in dimensions (iii) and (iv).

PI-19	Transparency, competition and complaints mechanisms in procurement	M2	NS	D+ ▲	N	Scores are not comparable since the indicator was not assessed by the PA. Also, the methodology for PI-19 was revised in January 2011. **Performance change not assessed.**
PI-20	Effectiveness of internal controls for non-salary expenditure	M1	C+	C+	Y	**No change.**
PI-21	Effectiveness of internal audit	M1	D	D+	Y	**There is improvement in overall score and performance** due to improvement in dimension (i).
PI-22	Timeliness and regularity of accounts reconciliation	M2	C	C+	Y	**Performance has improved** due to improvement in dimension (i).
PI-23	Availability of information on resources received by service delivery units	M1	D	C▲	Y	**Performance has improved.**
PI-24	Quality and timeliness of in-year budget reports	M1	B+	B+	Y	No change in overall score, yet **performance has improved** due to performance improvement under dimension (i).
PI-25	Quality and timeliness of annual financial statements	M1	D+	C+	N	**Performance has improved** due to improvements in dimensions (i) and (iii).
PI-26	Scope, nature and follow-up of external audit	M1	D+	D+	Y	**No main performance change** although there are signs of improvement in dimension (iii).
PI-27	Legislative scrutiny of the annual budget law	M1	C+	D+	N	Though scores are not comparable, change in performance can be assessed**.** **No change in performance.** The change in the overall score is due to the change in the score for dimension (iii), which reflects a different interpretation of the evidence by the two Assessments and not a change in performance.
PI-28	Legislative scrutiny of external audit reports	M1	D+	D+	Y	Although there is no change in the overall score.**Improvement in overall performance due to** improvement in performance for dimension (ii).There are signs of improvement in dimension (iii).
D-1	Predictability of Direct Budget Support	M1	NS	NR	N	Not comparable
D-2	Financial info provided by donors on project/program aid	M1	NS	D+	N	Not comparable
D-3	Proportion of aid that is managed by use of national procedures	M1	NS	D	N	Not comparable

IV. Prospects for PFM Reforms

Recent and ongoing PFM reforms in The Gambia have been premised on recommendations emanating from various studies undertaken by both Government and DPs, resulting in the first PFM reform strategy for the period 2010-2014. One major aim of any PFM reform is to ensure efficient service delivery focused on improving the lives of citizens: this can be attained only when the first step of PFM reform - fiscal discipline- is achieved at the national level. The Republic of The Gambia is far from attaining aggregate fiscal discipline that will lay the foundation for allocating resources strategically for efficient service delivery. Of equal importance is the availability of competent and professional human resource to drive the reform agenda; this is being addressed, even though not fully, by the ongoing civil service reform strategy aimed at building human capacity with the appropriate remuneration to ensure sustainability and reduce high staff turnover. Even, though a small country, The Gambia has extensive and appropriate decentralisation framework capable of further driving the reform initiatives. It however needs a substantial injection of professional and competent public servants.

The success of any PFM reform requires the strongest political support. This is because PFM achievements are not visible and tangible immediately for citizens, and therefore the success of PFM reform requires continued commitment and support at the highest level, and coordination among different role players. This is the case in The Gambia as the Minister of Finance and Economic Affairs fully supports the PFM reform agenda, backed by the effective coordination of all stakeholders.

That said, there is continuous efforts to improve and strengthen the legal, regulatory and institutional framework that govern overall PFM. A number of changes to existing legislations and institutional arrangements have been initiated. These include but not limited to:

- The new Public Finance Bill, 2014 (merging the GBMAA 2004 and the Loans Act 1970),
- The Gambia Public Procurement Act, 2014 (Amended),
- The Internal Audit Charter,
- The *Programme for Accelerated Growth and Employment* (PAGE) - The Gambia's Medium Term Development Plan,
- The Gambia Draft Aid Policy (2013-2017)
- A new audit bill for the National Audit Office to replace the Finance and Audit Act of 1964.

The commitment from Government on PFM reform has received significant development partner support with the likes of the World Bank, the European Union, the African Development Bank, the United Nations, and IMF among others funding various elements of the reform agenda. It is believed that support will continue from donors to ensure mutual benefit.

1 Introduction

1.1 Background and context

The Government of The Gambia (GoTG), committed to improving its PFM system, used the findings of the 2010 CFAA and PEFA report to put in place a comprehensive PFM reform programme. The *PFM Reform Strategy (2010-2014)* helped to streamline PFM reform activities and mobilize resources. This strategy was costed at over US $26 million. However, extensive and significant areas of the strategy are still unfunded. Reforms to date have resulted in significant improvements in a number of areas including (i) the implementation of an Integrated Financial Management Information System (IFMIS); (ii) the clearance of a significant backlog of financial statements; (iii) the strengthening of the independence and supervision and control function of the Central Bank; and (iv) improved information on public debt. Overall the key PFM reforms have helped to enhance accountability and transparency in the use and management of public resources. Despite these gains, the GoTG, supported by the European Union Delegation (EUD) to The Gambia and other Development Partners (DPs), has requested for a repeat PEFA Assessment, to help highlight the weak areas that need to be addressed to further improve the impact of reforms. The GoTG has underlined its long-term commitment to improve PFM.

There is a PFM Unit within the MoFEA in charge of monitoring and coordinating PFM reforms. In order to ensure ownership of the reforms and adequate knowledge and decision making responsibilities, the Unit is using a consultative approach with other directorates and units in MoFEA, and with the institutions outside MOFEA concerned by PFM reforms (Central Bank of the Gambia, Gambia Revenue Authority (GRA), Gambia Public Procurement Authority (GPPA), Line Ministries, National Audit Office, National Assembly).

1.2 Objective of the PFM-PR

The PA was conducted in 2008. The related report was finalised in 2010. The results of the PA informed the current *PFM Reform Strategy (2010-2014),* which is coming to an end. This Assessment thus has a threefold relevance and purpose:

i. Inform stakeholders of PFM performance. This is all the more important as the most recent exhaustive results on PFM date back from 2008;
ii. Inform stakeholders of the areas that still need improvement, compared to 2008.
iii. Through (i) and (ii) above, it will inform the development of the upcoming PFM strategy, and help target measures to the areas that still need improvement.

A short Aide-Memoire (AM) will be drafted separately from the PFM-PR. The AM will include several key recommendations to improve the PFM system, as was requested by the Terms of Reference (ToR) for this Assessment. The consultant has however clarified in the Inception Report (IR) that " a PEFA Assessment, as per the PEFA PFM framework methodology, cannot provide explicit reasons for success or failure, only provide a text that describes and analyses the evidence collected, and provides the justification for attributing a given score to a given PI. That can serve as a useful input to a reflection on the reasons for success or failure that can be undertaken by donors and the Government after the Assessment has been completed, as a PEFA Assessment will identify weak and strong areas in the PFM system. The PEFA PFM is not a tool for understanding the underlying reasons for the success or failure of reform and causes of poor or good performance but only measures performance." (IR,page 7). As a result, the recommendations drafted will stem out from the analysis of PIs in the Assessment and not analyse reasons for success or failure.

In line with the *Strengthened Approach to PFM reform* (also promoted by the PEFA partners and the development of the PEFA Framework), which emphasizes country leadership and country-level donor coordination, around a *government- owned strategy* and reform action plan, the Assessment Team has highlighted in the IR and in the training workshop the importance for the new PFM reform strategy to be formulated and owned by the Gambian authorities. The consultant's recommendations should be only considered an input to the new PFM Reform Strategy, and in no way lead the upcoming reflection by GoTG and donors on the structure of the new reform.

1.3 Process of preparing the PFM-PR

Assessment Team

The Assessment Team comprises Ms. Elena Morachiello (Team Leader), Dan Nicolau (Expert I) and Charles Komla Hegbor (Expert II).

Inception Report

The Assessment began with the issuance of a draft IR that outlined the key steps for undertaking the Assessment and the Consultant's understanding of the ToR. The IR was presented at the initial workshop on the PEFA Methodology, circulated for comments on September 29, 2014 and approved on October 3, 2014. The IR:

- Provided a calendar for the mission and Assessment report which is presented in Annex 7;
- Suggested two main changes to the ToR. These mainly concerned: (i) a clarification of the nature of the recommendations provided in the AM, as outlined above; (ii) ensuring that comments to the draft report were provided by the appointed PEFA CHECK reviewers in writing and that sufficient time (2 weeks) was allowed for the circulation of the Draft PEFA Assessment for comments on the one hand, and for the Team to address the comments (also two weeks) in line with the PEFA CHECK requirements on the other (see Annex 7).

The IR also detailed: (i) all the information requirements for the assessment of the 31 PIs, both in terms of meetings and in terms of the data and documentation needed; (ii) the necessary information and meetings for the drafting of the non PI sections of the PFM-PR. The section relating to meeting and documentation request was submitted by the Assessment Team to the EUD and the PFM Reforms Unit over a week before the start of the mission.

Role and involvement of various stakeholders

The PFM Reforms Unit in the Ministry of Finance and Economic Affairs (MoFEA) assisted the Assessment Team closely throughout the Assessment: in arranging meetings, distributing the information requests, collecting information, arranging the PEFA opening workshop and the dissemination workshop. The EUD in The Gambia also provided overall support.

The lead donor for the Assessment is the EUD, which is also financing the Assessment. The World Bank and the AfDB have also been met during the Assessments fieldwork, as, though they don't have staff in The Gambia, staff from the two organisations was on mission in The Gambia at the time of the Assessment. The Team has also met EU and IMF consultants providing TA to the GoTG in selected areas. Development Partners (DPs) have also been involved in the drafting of the ToR, in the review of the IR, and in the Quality Assurance process (see section on *Quality Assurance arrangements* below).

The Assessment Team met:

i. all key units and directorates in MoFEA (including the PFM Reform Unit, the Aid Coordination Directorate, the Budget Directorate (BD), the Directorate Loans and Debt Management (DLMD), the Directorate of Development Planning (DDP), Internal Audit Directorate (IAD), Macro Policy Analysis Unit (MPAU), Directorate of National Treasury (DNT));

ii. representatives of CG institutions other than the MoFEA: the Central Bank; GRA, GPPA; Line Ministries (MoHSW, MoBSE, Ministry of Agriculture, Ministry of Transport, Works and Infrastructure (MoTWI); the Ministry of Lands and Regional Government); the NAO and the NA (including members of the PAC/PEC); and the PMO.
iii. Representatives of subvented agencies and funds; the Liquidity Forecasting Committee; the Gambia Chamber of Commerce and Industry.
iv. Development Partners, as detailed in the above paragraph, and the National Authorising Office Support Unit (NAOSU).

The detailed list of stakeholders interviewed is provided in Annex 6.

<u>Calendar</u>

The Assessment mission took place between September 15, 2014 and November 12, 2014. The detailed calendar is outlined in Annex 7. Key steps for the mission were the following:

i. IR drafting, briefing and preliminary meetings, desk review of initial documentation and workshop preparation: September 15-23, 2014.
ii. Introductory workshop: 24 and 25 September, 2014.
iii. Main meetings, collection and analysis of documentation, drafting of Draft PEFA Report and AM: September 29 to October 24, 2014 (most meetings began after the introductory workshop).
iv. Mid-term review meeting: October 16, 2014.
v. Drafting of Draft PEFA Report and AM and clarification meetings: October 27-November 4.
vi. Submission of Draft AM: November 5, 2014.
vii. Debriefing meeting: November 6, 2014.
viii. Dissemination workshop: November 10, 2014.
ix. Submission of Draft PEFA Report and AM: November 12, 2014.
x. Submission of Dissemination workshop minutes: November 17, 2014.

<u>Workshops</u>

<u>Introductory workshop and presentation of the Inception Report</u>

The Assessment was launched by a two day initial workshop on the PEFA methodology and a presentation of the process to undertake the assignment as presented in the IR, on September 24 and 25, 2014. Day 1 included a high-level presentation on the PEFA methodology, followed by a more technical presentation. The technical presentation covered: a detailed explanation of the PEFA methodology; of the sources of information and critical period/time to assess each dimension; findings from the 2010 Assessment, methodology for Repeat Assessments, changes in the methodology since the PA (PI-2,3, 19), an outline of other developments since the Previous Assessment (PA)-including the *Field Guide* and the *PEFA CHECK*. In Day 2 a group exercise on the assessment method for repeat assessments and scoring in a repeat assessment was organized, and the IR detailing the key steps planned for the Gambia 2014 Assessment and their timing was presented.

Participation was high with all key stakeholders attending, including representatives of all MoFEA concerned units and directorates, and of CG institutions other than the MoFEA: GRA, GPPA, PMO, Line Ministries, CBG, NAO, NA, and DPs. Both high-level and technical staff participated, with around 80 participants attending the high-level presentation and 50 attending the technical sessions. The EUD and the PFM Reform Unit attended as organizers of the Assessment and made opening remarks, as well as the Deputy Permanent Secretary, MoFEA.

Dissemination Workshop

A final dissemination workshop was also held on November 10, 2014 presenting the results of the Draft Report to the key stakeholders that participated in the Assessment. Both high level and technical staff were invited, for all the institutions consulted during the Assessment. Around 50 participants attended. The EUD and the PFM Reform Unit, MoFEA attended as coordinators of the Assessment and delivered opening remarks, as well as the Permanent Secretary (PS), MoFEA.

1.4 Methodology

Methodological Guidance Material

The team has applied the PEFA Performance Measurement Framework (PFM), revised version of January 2011, which includes revision of three PIs (PI-2,3,19). The Team has also referred to the other main guidance and methodological material issued by the Secretariat since the publication of the first version of the Framework in 2005, which can be found on the Secretariat's website (www.pefa.org). The main reference material used is the following:

1. *Guidance on Evidence*, 2007;
2. *The 2008 and 2012 Clarification to the Framework*[3],
3. The *FieldGuide (FG),* issued in May 2012, which combines the contents of the Framework, the Guidance on Evidence and the Clarifications;
4. *Good Practices in Applying the PEFA Framework*;
5. *Guidance Note on Good Practice when Undertaking a Repeat Assessment, Guidance for Assessment Planners and Assessors,* February 1, 2010.

The team has also used:

6. the PEFA Secretariat's excel file for calculating PI- 1 and 2; and the file adapted by the Team for PI-2 distributed as Annex 2 of the inception report;
7. the PEFA Secretariat's excel file for calculating D-1;
8. The guidelines issued by the Secretariat in January 2011 when the three PIs were revised: *PI-2-Revised-Additional-Guidance-for-Assessors,* January 10, 2011; *Additional Guidance Note on Completing Revised PI-19 Based on the OECD-DAC Methodology for Assessing Procurement Systems (MAPS),* January 10, 2011.
9. The PEFA Secretariat's Guidance Note on *"No Score*" Methodology, which also describes the methodology for Not Rated (NR), Not Applicable (N/A) and Not Used (NU).
10. For guidance on the PEFA CHECK quality assurance requirements, the team has referred to the PEFA Secretariat note: *Enhanced Quality Assurance Mechanism for PEFA Assessments, PEFA CHECK,* March 6, 2012.

Information Sources

As is customary in PEFA Assessments, the methodology to undertake the Assessment has comprised the gathering and analysis of information and evidence. The stakeholders interviewed and involved in the Assessment have been presented above. The 2014 Gambia Repeat PEFA Assessment reviewed legal and regulatory documents, budget documents, progress reports and financial and audit reports. It also undertook quantitative analysis of official financial and budgetary data. The evidence analysed, both quantitative and qualitative, is specified under each section of the PFM-PR and each PI. Moreover, the list of documents/data collected and consulted is detailed in Annex 5.

[3] *Clarifications to the PFM Performance Measurement Framework of June 2005*, (Updated by the PEFA Secretariat, September 2008); PEFA Secretariat, *New and amended 'Clarifications' to the PEFA Framework*, March 2012.

Repeat Assessment

As outlined above, under the section *"Change in performance since the 2010 assessment",* The 2014 Gambia Assessment is a repeat assessment. The section "*Change in performance since the 2010 assessment",* already presented:

- The repeat's nature of the assessment implications for the PFM-PR format. The Report assesses the most recent performance but also identifies the change that has occurred since 2008 and the 2010 Report.
- The 2014 Assessment has compared performance in 2014 as measured by the Framework and its PIs to that witnessed in 2008. In line with the *Guidance Note on Repeat Assessments*, the 2014 Gambia PEFA Assessment has analysed both changes in the scores and changes in actual performance. It has undertaken this twofold analysis for all 76 dimensions, to the extent possible.
- It has identified whether the scores are comparable; and highlighted any "other factors" influencing the change in scores besides performance.[4]

This Report will refer to the 2008/2010 Assessment as the "2010 Assessment" or "2010 PEFA". For the reasons mentioned at the outset, the scores for the PA are referred to as "2010 scores".

Nonetheless, the "repeat" nature of the Assessment is limited by the fact that the previous PEFA was an annex to the CFAA and the report was structured not as a PEFA Assessment and PFM-PR proper but as a CFAA. As a result, the content of the 2010 report besides the analysis of the PI is not structured as a classical PFM-PR, the evidence reported to justify the scores for the PIs is not always as clear or comprehensive as in a regular PEFA Assessment. Moreover, as above mentioned, six PIs (PI-4, 15, 19, and D-1, 2 3) were not scored. Four of these (PI-19 and the D set) were not assessed at all.

Quality Assurance Arrangements

The Assessment has followed the "Enhanced Quality Assurance Mechanism for PEFA assessments", referred to as the PEFA CHECK.

(i) The Assessment was managed by the MoFEA PFM Reform Unit in collaboration with the EUD;
(ii) Four PEFA CHECK Reviewers were designated: EUD (lead agency), the GoTG, the PEFA Secretariat and the AfDB.
(iii) The ToR were reviewed by the four designated reviewers. The first draft of the ToR was drafted between June and September 2013, by the lead Agency with the participation of the AfDB. The AfDB also commented on the draft ToR in September 2013. Draft ToR were submitted to the PEFA Secretariat and the GoTG for comment in early October 2013. The PEFA Secretariat submitted comments on October 18, 2013 and the GoTG in November. The final ToR incorporating comments were issued on November 29 2013, and approved by all four PEFA CHECK Reviewers.
(iv) The Inception Report was also reviewed and approved by the EUD, the AfDB and the GoTG.

The Draft PFM-PR will be submitted for review to the four nominated PEFA CHECK reviewers. The PEFA CHECK reviewers will have two weeks to provide comments. All comments will be considered by the Assessment Team and responded to. The Team will distribute a revised final draft PFM-PR, incorporating the comments and/or showing the Team's responses. Annex 8 provides the template for the provision of consolidated comments by GoTG. The revised final draft PFM-PR will show the Team's response to all comments raised, in Annexes 8 and 9.

[4] Such as a different methodology for a PI between the two Assessments; a different interpretation of the framework requirements by the two Assessment Teams; evidence that was available to the 2014 Assessment team to rate a PI that was not available to the team of the PA.

1.5 Scope of the assessment

Period Assessed

The Fiscal Year (FY) in The Gambia runs from January to December. As a result:

1. for those indicators/dimensions to be assessed over the past three completed FYs (e.g PI-1,2,3, D-1) the Assessment covers **FYs 2011, 2012, 2013;**
2. for those indicators/dimensions requiring the last completed FY, the Assessment covers FY 2013;
3. in parallel, data for FY 2012 and FY 2013 have been used to assess performance for those PIs or dimensions for which the last two completed FYs are the "critical period/time";
4. The indicators/dimensions to be assessed "at time of assessment" have been assessed at the time of the mission (mid-September/mid-November 2014);
5. for the PIs/dimensions to be assessed over the past 3 years, the period mid-September/mid-November 2011 to mid-September/mid-November 2014 has been considered.
6. For the indicators and dimensions (eg. PI-11 (i), (ii) and PI-6) to be assessed on the basis of the last prepared budget, the budget preparation cycle for the FY 2014 Budget and the FY 2014 Budget submitted to the legislature have been considered respectively.

The "critical period/time" for each dimension is specified in the PFM-PR at the beginning of the assessment of each PI.

Scope

The scope of the Assessment in terms of the structure of Government and the size of expenditure covered is presented in Table I. The Assessment covered CG budgetary expenditure. It also covered Local Councils (LCs), in so far as their fiscal position can constitute a fiscal risk for CG (ref. PI-9 (ii)) and in so far as their fiscal relations with CG are concerned (ref. PI-8). The Assessment also covered donor-funded expenditure, subvented institutions, Autonomous Government Agencies (AGAs) and Public Enterprises (PEs) to the extent that data were available, and, for the latter two categories, to the extent that they pose a fiscal risk to CG. Subvented agencies are approximately 64 and are listed under Annex 4, Table 2. There are about 55 to 77 public entities between PEs and AGAs, of which approximately 13 are PEs and 42 to 64 AGAs. The net worth of the PE covered by the Assessment is provided under Annex 4, Table 1.

Table I presents both : (i) the GLF financed expenditure, as that was the expenditure covered by PI-1 and PI-2, and (ii) total expenditure and net acquisition of financial assets as the Assessment also covered expenditure financed through donor-funded loans and grants under PI-7(ii) and D-2 and D-3.[5]

[5] The data for item (i) were obtained from the appropriation report in the Financial Statements, as that is the most exhaustive source of information for actual expenditure and only covers GLF expenditure. Total expenditure is provided with net acquisition of financial assets in IMF staff reports.

Table I : Structure and size of Government

Institutions	**Number of entities in FY 2013**	**Total CG GLF budgetary expenditure*** *(in million GMD)*			**Total CG GLF budgetary expenditure*** *(in % of GDP)*		
		FY 2011	**FY 2012**	**FY 2013**	**FY 2011**	**FY 2012**	**FY 2013**
-MDAs	27***	5,383	5,151	7,652	20.3	17.7	22.8
		Total expenditure and net acquisition of financial assets,** *including donor-funded project expenditure* *(in million GMD)*			**Total expenditure and net acquisition of financial assets,**** *including donor-funded project expenditure* *(in % of GDP)*		
		FY 2011	**FY 2012**	**FY 2013**	**FY 2011**	**FY 2012**	**FY 2013**
		6,871	8,675	8,149	25.8	29.9	24.8
-Subvented agencies	Around 65 ****						
Local Government *Of which:*		**Expenditure of Local Councils in FY 2013** *(in thousands GMD)*			**Expenditure of Local Councils in FY 2013** *(in % of GDP)*		
-Local Councils	8	**311,322**			**0.93%**		
-Districts or chiefdoms	48						
-Alkalous	1873						
Memo:					**FY 2011**	**FY 2012**	**FY 2013**
Nominal GDP, *in millions* GMD ***					26,465,000	29,108,000	3,3491,000

Sources: DNT, IFMIS, Budget Estimates for FY 2013, Financial Statements for FYs 2011, 2012, 2013, BFP 2014-2016, IMF The Gambia, Staff Report for the 2013 Article IV Consultation, September 2013, IMF Country Report No. 13/289.

** Includes CG budget subventions to subvented agencies, but not the total expenditure of subvented agencies. It excludes donor-funded project/program expenditure.*

*** Includes CG budget subventions to subvented agencies, but not the total expenditure of subvented agencies.*

****The number of MDAs has fallen to 26 in the FY 2014 Budget.*

***** The precise number of AGAs and subvented agencies could not be assessed nor their size in terms of CG expenditure, ref PI-7(i) and 9(i).*

****** GDP data are from the BFP 2014-2016 and the IMF 2013 article IV report. They are actuals for 2011, preliminary for 2012 and projections for 2013. The GDP data for 2011 and 2012 are the same in the BFP and the IMF report, with a slight difference between sources for the 2013 figures. For 2013, the BFP source for Nominal GDP has been taken as more recent (i.e. 33,491 million GMD compared to 32,886 million as per the Article IV report).*

2 Country Background Information

2.1 Description of country economic situation

2.1.1 Country context

The Gambia is the smallest country on the African mainland. It stretches 450 km along the Gambia River and its area is 11,285 square km. It is surrounded by Senegal except for a 60 km Atlantic Ocean front. Due to its geographical location, Gambia is a tourist destination and a hub for trade in West Africa. The incumbent President Yahya A.J.J. Jammeh was re-elected for a fourth term, in November 2010.

The country's population is around 1.8 million with an additional Diaspora of approximately 0.5 million. Table A below shows selected indicators for The Gambia from the most recent Word Bank *World Development Indicators (WDI)*. The annual population growth has been quite constant at just over 3% since 2008. 57% of the population lives in urban or peri-urban centres. Life expectancy at birth was 58 years in 2012, the year of the latest available data, increasing from 57 in 2008. Prior to the 2011 drought, The Gambia had made significant progress in the fight against poverty. In particular, the expansion in agriculture was key to reducing the incidence of poverty from 58% in 2003 to 48.5% in 2010. Good progress is also being made towards meeting selected Millennium Development Goals (MDGs) and improving social indicators. HIV prevalence has been decreasing since 2008: from 1.4 % in 2008 to 1.2 % in 2013. The literacy rate in 2012 was 69.43%. In 2010, the year of the latest available data, the urban poverty headcount ratio was 32.7% (% of urban population). Despite this progress, nearly half of the population remains in poverty, and the figure is considerably higher in rural areas, with the poverty headcount ratio at 73.9% of the rural population in 2010.

Two PRSPs were developed prior to 2011. In late 2011, the Gambian authorities launched the *PAGE,* a new poverty reduction strategy that emphasizes agriculture and investment in infrastructure to increase incomes, particularly for the rural poor. The PAGE pillars and priorities are detailed under Performance Indicator (PI) 12. Low crop production since the 2011 drought has been a setback in the fight against rural poverty.

Table A: Gambia, Selected Indicators, 2014

Indicator Name	2008	2009	2010	2011	2012	2013
Population, total	1,577,984	1,628,332	1,680,640	1,734,966	1,791,225	1,849,285
Population growth (annual %)	3.13	3.14	3.16	3.18	3.19	3.19
MDG- related indicators						
Poverty headcount ratio at urban poverty line (% of urban population)			32.7			
Poverty headcount ratio at rural poverty line (% of rural population)			73.9			
Poverty incidence (% of total population)	58 (2003)		48.5			
Life expectancy at birth, total (years)	57.62	57.9	58.13	58.4	58.6	
Prevalence of HIV total (% of population ages 15-49)	1.4	1.4	1.3	1.3	1.2	1.2

Maternal mortality ratio (modelled estimate, per 100,000 live births)	430 (2005)			360		
Mortality rate, under-5 (per 1,000 live births)						
Literacy rate, youth total (% of people ages 15-24)					69.43	
Literacy rate, youth male (% of males ages 15-24)					73.41	
Literacy rate, youth female (% of females ages 15-24)					65.55	

Source: *WDI 2014*, (latest update 17 October 2014).

Growth is driven mostly by agriculture and tourism, which are also the primary foreign exchange earning sectors. Investment in telecommunications has also contributed to growth in recent years. According to the latest available IMF staff report,[6] the Gambian economy has performed relatively well over the past several years, although it is still recovering from a severe drought in 2011, and more recent developments in the fiscal stance, domestic borrowing and inflation are less positive. The drought had led to a 45% drop in crop production and a contraction in real GDP of 4.3 % in FY 2011. The economy picked up the following year, in FY 2012, as the tourism sector gained momentum and agriculture started rebounding (also thanks to a crop production increase of 30%). In FY 2012, real GDP growth more than doubled from 2011, and attained 5.3%. In FY 2013, it was 5.6% (ref. Table B).

Monetary policy focused on reversing the rise in inflation, as the Central Bank of The Gambia (CBG) has generally exercised monetary restraint in the past few years. Nevertheless, there have been periods of monetary expansion driven by fiscal dominance, a stance which has resumed in FY 2013. Consumer Price Inflation (CPI) was in fact contained in FY 2011 and FY 2012 (at 4.8% and 4.6% respectively), despite the impacts of the drought exerting pressure on food prices, and some depreciation of the GMD. Nonetheless, since late FY 2012, inflation has been rising steadily, to reach 7% at end 2013, as the authorities turned to CBG financing of the fiscal deficit.

After achieving a surplus in 2007, the overall fiscal balance fell sharply into deficit, at 6.1% of GDP by 2010.[7] The deterioration of the fiscal balance has been caused by periods of large spending overruns, especially in very recent years. As shown in Table B, in 2011 and 2012, the overall balance was a negative 4.5% of GDP, improving to a negative 2.7% in FY 2013 (this is however a projection, as the latest IMF staff report is from September 2013). Public debt reached a peak of 77.4% of GDP in FY 2013. The figures are compounded by the negative current account balance (excluding budget support) of 16.9% of GDP in FY 2013. The large expenditure overruns for FYs 2012 and 2013 are also documented by the findings of the Assessment (under PI-1). Domestic revenues (both tax and non-tax) averaged 16.25% of GDP in FYs 2011-2012 and improved to about 17% in FY 2013.

The latest IMF staff report considers medium-term prospects to remain favourable. Real GDP is projected to grow at 5.5% between 2014 and 2016, led by continued growth in agriculture, and a gradual but sustained recovery in tourism and construction. The inflation rate is targeted to be maintained on average at 5%. The maintenance of the economic growth is however based on the assumption of the implementation of prudent macroeconomic policies.

In early 2012, Gambian authorities requested a new[8] three-year arrangement with the IMF under the Extended Credit Facility (ECF), to support the PAGE and meet the balance

[6] IMF, *The Gambia, Staff Report for the 2013 Article IV Consultation, September 2013.* IMF Country Report No. 13/289.
[7] IMF, *The Gambia, Staff Report for the 2013 Article IV Consultation, September 2013.* IMF Country Report No. 13/289.
[8] A previous ECF arrangement was approved in 2007.

of payments needs arising from the crop failure caused by the 2011 drought. The request was approved. Under the IMF agreement, the Government has formulated a strategy that aims to gradually reduce net domestic borrowing (NDB) to 2.5% of GDP in 2014 and to less than 1% of GDP for the medium term. The 2014 Budget was approved on the premise of achieving the 2.5% NDB target. Nonetheless, this target will be harder to achieve given the unforeseen events that hit the economy during the first quarter of 2014, given the Ebola epidemic in the region. Revenues from tourism are expected to fall sharply, as the tourism sector has experienced cancellations for up to 70%, with a projected shortfall of overall domestic revenues.

Table B. Selected Economic indicators (in % of GDP, unless otherwise specified)

	2011	2012	2013
Real GDP growth (%)	-4.3	5.3	5.6
Real GDP growth per capita (US$)	508	497	478
CPI (annual average) (%)	4.8	4.6	6.0
CPI (end of period) (%)	4.4	4.9	7.0
Total expenditure and net acquisition of financial assets	25.8	29.9	24.8
Overall balance	-4.5	-4.5	-2.7
Basic balance [9]	-2.1	-2.1	-2.1
Basic primary balance [10]	1.5	1.6	1.5
Public debt	77.3	77.2	77.4
Domestic public debt	33.2	33.4	31.3
External public debt	44.1	43.8	46.1
External public debt (millions of US$)	386.2	375.8	384.2
Domestic revenue (taxes and other revenues)	16.1	16.4	17.1
Grants	5.1	9.0	5.0
Current account balance (excluding budget support)	-15.5	-19.4	-16.9
Current account balance (including budget support)	-15.5	-17.0	-16.2

Sources: IMF, *The Gambia, Staff Report for the 2013 Article IV Consultation, September 2013. IMF Country Report No. 13/289,* Government Budget Documents (BFPs and Budget Overviews).

2.1.2 Overall government reform programme

The adoption of the 1997 Constitution of The Republic of The Gambia, with a transition to a constitutionally elected government and parliamentarians, brought to reality the desire to ensure a systematic transformation in budget management, to fulfil the aspirations of all citizens for improved living standards through fiscal discipline as a basis for the strategic allocation of scarce resources for efficient service delivery.

Over the past decade, the PFM reform focus has been on ensuring macro-economic stability, improving domestic revenue for sustained economic growth, improving accountability and reporting, and ensuring a robust external scrutiny and audit using both state (National Audit Office and National Assembly) and non-state (Civil Society Organisations) actors. The rollout of the Medium-Term Expenditure Framework (MTEF),

[9] Corresponds to the Overall balance, excluding statistical discrepancy, less expenditures financed by project grants and external borrowing.
[10] Corresponds to the Basic balance, excluding interest payments.

as a means to ensure proper linkages between the National Medium Term Plan - PAGE, fully costed sector strategies and the annual budget policy framework is seen as a step in the right direction for strategic resource allocation. To achieve this, resource allocations to specific sectors of the economy ought to be respected without recourse to severe budgetary reallocations that occur each year, as a result of the existing laws on virements.

Government, through the support of IMF-AFRITAC, is embarking on the implementation of Programme Budgeting (PB) and Performance Based Budgeting (PBB), which are being piloted in a couple of line ministries, including the Ministry of Finance. It is also intended, through support from the World Bank, to continue the IFMIS rollout strategy to all self-accounting government agencies and the five administrative regions in The Gambia. The strengthening of the existing procurement law is also seen as part of the measures to improve accountability and reduce wastage in public procurement. The *Civil Service Reform Strategy Phase II* follows on from the previous Civil Service Reforms strategy and comprises several components dealing with: public sector performance, human resources management, pay and pension reforms, accountability and service delivery. It thus provides a basis for a highly motivated public service that will ensure the attainment of the overall PFM reform potential.

2.1.3 Rationale for PFM reforms

The National Medium Term Development Plan (PAGE) and the MTEF are seen as an integral part in the budgeting process. This requires the continuous capacity building of personnel across all line ministries and government departments, as the backbone for effective implementation. The legislature has seen a makeover in recent years, gaining support from the executive branch of government, particularly with the construction of a new National Assembly building to house parliamentarians. Further, there is effective collaboration between the executive and the legislature on matters of national development, transparency and accountability, to the extent that the President has constituted an implementation committee made up of both PAC/PEC members and government ministers to ensure full implementation of PAC/PEC recommendations on audit findings.

The MoFEA continues to be the pivot around which PFM revolves. The establishment of the PFM Reform Unit to coordinate implementation of activities outlined in the 2010-2014 strategy provides an assurance for a committed and sustained reform agenda. This assurance is reinforced by the existence of a Public Financial Management Coordination Committee (PFMCC), which also monitors PFM reform implementation, and comprises members from the whole of CG. The monitoring mechanism involves the churning out of periodic activity progress reports against which established benchmarks are compared with to identify any shortcomings that require immediate remedial action(s).

2.2 Description of budgetary outcomes

2.2.1 Fiscal performance

Table 2.1 below provides a summary of key selected economic indicators of The Gambia. Driven by a sustained agricultural recovery sector coupled with a robust tourism sector, real GDP growth reached the highest in the last completed fiscal year 2013 of 5.6% from a negative 4.3 in 2011, which more than doubled in 2012 to 5.3%. Domestic revenues (both tax and non-tax) averaged 16.25% of GDP in 2011 and 2012; these however improved to about 17% in 2013. Grants remain a significant contributor of total government revenue ranging between 5% and 9% of GDP over the last three fiscal years. Government debts are significantly high, reaching an average of about 77% of GDP, with all time high of 77.4% of GDP in 2013 over the review period. These are compounded by the negative overall fiscal balance and current account balances (excluding budget support) of 2.1% and above 15% respectively.

Table 2.1: Selected Economic indicators (in percent of GDP, unless otherwise specified)

	2011	2012	2013
Real GDP growth (%)	-4.3	5.3	5.6
Real GDP growth per capita (US$)	508	497	478
CPI (annual average) (%)	4.8	4.6	6.0
CPI (end of period) (%)	4.4	4.9	7.0
Domestic revenue (taxes and other revenues)	16.1	16.4	17.1
Grants	5.1	9.0	5.0
Total expenditure and net acquisition of financial assets	25.8	29.9	24.8
Basic fiscal balance	-2.1	-2.1	-2.1
Gross government debt	77.3	77.2	77.4
Current account balance (excluding budget support)	-15.5	-19.4	-16.9
Current account balance (including budget support)	-15.5	-17.0	-16.2
Overall balance of payment (in US$ millions)	8.4	0.1	-5.6
Gross official reserves (in US$ millions)	169.7	183.8	181.9
Gross official reserves (in months of imports)	4.4	4.8	4.5

Source: IMF Article IV September 2013 - Gambia Country Report No. 13/289 and Government Budget Documents.

2.2.2 Allocation of resources

As shown in Tables 2.2 and 2.3 below, total government revenue stood at an average of 22.9% of GDP over the last three FYs, 2011- 2013. Out of this, between 5% and 9% constitute development partner grants. During the three years under assessment, total government expenditure were higher than total revenue by over GMD1billion on the average, representing over 26% of GDP on average, resulting in an average negative overall balance of more than 4.5% of GDP. Functional resource allocations have remained generally unchanged except for education that has seen a significant increase from 20.21% in FY2013 to 31.19% in FY2014, following a drop from the 2012 allocation of 25.62% compared to 2011. Health and housing allocations have dropped from 8.67% and 23.26 to 6% and 17.22% from FY2013 to FY2014 respectively (see Table 2.4).

Table 2.2: Summary of Central Government Operations (GMD Million)

	2011	2012	2013
Total Revenue including grants	5,619	7,397	7,270
- Tax	3,780	4,221	5,001
- Non-tax	484	565	610
- Grants	1,355	2,611	1,659
Total Expenditure	6,871	8,675	8,149
Recurrent expenditure	4,579	5,068	5,882
- wages and salaries	1,693	1,804	1,875
- goods and services	1,273	1,540	2,320
- transfers and subsidies	646	645	527

	2011	2012	2013
- Interest payment	967	1,079	1,160
Capital expenditure	2,292	3,607	2,267
Payment for financial assets	-56	24	-4
Overall balance	-1,196	-1,302	-874
Basic balance	-566	-605	-676
Basic primary balance	402	474	484
Gross domestic public debt	8,773	9,718	10,284

Source: IMF Article IV September 2013 - Gambia Country Report No. 13/289.

Table 2.3: Summary of Central Government Operations (% of GDP)

Particulars	2011	2012	2013
Total Revenue including grants	21.2	25.4	22.1
- Tax	14.3	14.5	15.2
- Non-tax	1.8	1.9	1.9
-Grant	5.1	9.0	5.0
Total Expenditure	26.0	29.8	24.8
Recurrent expenditure	17.3	17.4	17.9
- wages and salaries	6.4	6.2	5.7
- goods and services	4.8	5.3	7.1
- transfers and subsidies	2.4	2.2	1.6
- Interest payment	3.7	3.7	3.5
Capital expenditure	8.7	12.4	6.9
Payment for financial assets	-0.2	0.1	0.0
Overall balance	-6.1	-4.5	-4.5

Source: IMF Article IV September 2013 - Gambia Country Report No. 13/289.

Table 2.4: Consolidated Government Expenditure by Functional Classification (% of total expenditure)

	2012	2013	2014
General public services	13.91	22.21	22.79
Defence	2.07	5.11	6.14
Public order and safety	0.80	5.20	5.21
Economic affairs	4.38	5.24	5.15
Agriculture	26.17	10.1	6.30
Housing , works and community amenities	25.26	23.26	17.22
Health and social welfare	1.79	8.67	6.00
Education	25.62	20.21	31.19
Total	100.0	100.0	100.0

Source: 2012, 2013 and 2014 budget speeches.

2.3 Description of Legal and Institutional Framework for PFM

2.3.1 Legal framework for PFM

The Gambia Public Finance Management practices derive its powers from the 1997 Constitution. A number of laws regulate PFM functions. Of particular importance include but not limited to the following:

- Government Budget Management and Accountability (GBMA) Act, 2004
- The Gambia Public Procurement Act, 2001
- Local Government Act (Amendments) Sections 1-23, No. 5 of 2002
- Loans Act 1970

- The new Public Finance Bill, 2014 (this Act has merged the existing GBMA Act 2004 and the Loans Act 1970). It is awaiting Presidential assent
- Finance and Audit Act 1964 - Cap 75:01

The Constitution

All subsidiary PFM laws derive their source from the 1997 Constitution. The Constitution clearly defines the main roles and responsibilities of each role player in public finance management. A number of important Articles are enshrined in the Constitution referencing public finance management, major among them include the following:

- The establishment of the Consolidated Fund meant for receiving all government revenues, except where otherwise enacted by the National Assembly for the creation of other special funds and/or account for special purposes (See Article 150).
- Authority to withdraw from the Consolidated Fund (See Article 151).
- Preparation of annual budget estimates and passing of Appropriations Law (See Article 152).
- Preparation and approval of supplementary appropriations (See Article 153)
- Establishment of the National Audit Office and the position of Auditor-General (See Article 158 & 159).
- Contractual arrangements for government loans and guarantees (See Article 155).
- Treatment of public debt (See Article 157).
- Establishment of the Central Bank of The Gambia and the Board (See Articles 161 and 162).

Government Budget Management and Accountability Act (GBMAA), 2004

The GBMAA derives its source from Chapter 9 Part 1 of the 1997 Constitution. Specifically, the GBMAA regulates public finance management in The Gambia. It provides the legal and regulatory framework of central government, the Ministry of Finance, and all actors in The Gambian public finance management. Government revenues and expenditures are managed through the Consolidated Fund, which is the main government account, following the passing of the Appropriations Law by parliament each financial year. Section 14 of the GBMAA regulates the opening of government bank accounts; prior approval must be sought from the Accountant General (Director of National Treasury) in consultation with the PS of the Finance Ministry. It is important to note that the ongoing PFM reforms have sought to merge the existing GBMAA and Loans Act into one Act; the draft law has received both cabinet and parliamentary approval, awaiting assent by the President. When assented, this will become the overarching PFM law in The Gambia.

The Gambia Public Procurement Act (GPPA), 2001

The Gambia Public Procurement Act, 2001, regulates public procurement. It provides the rules and procedures for public procurement. Part 7 Sections 39 to 47 outline the different procurement methods and the circumstances under which each method is applicable. Section 39 states that open competition is the preferred method of procurement. For all other methods, the entity procuring is mandated to justify the use of procurement methods other than open tendering process; the justification shall be subject to the approval of the Gambia Public Procurement Authority, which is established under Part 2 Section 4 of the GPPA, 2001.

Finance and Audit Act1964 - Cap 75:01

The 1997 Constitution and the Finance and Audit Act 1964 establish the National Audit Office of The Gambia. Section 12 of the Finance and Audit Act empowers the Auditor-General or his authorised representative to perform financial, systems, IT and performance audit of all government ministries, departments, agencies and public entities and report its findings to the National Assembly through the Minister of Finance and Economic Affairs. Section 13 of the Finance and Audit Act 1964 outlines the duties of the Auditor-General.

Local Government Act (Amendments) Sections 1-23, No. 5 of 2002
Article 192 of the 1997 Constitution provides the main constitutional framework for local government system in The Gambia, from which the Local Government Act (Amendments) derive its source. The Act provides for the demarcation of the country into division (regions), areas, councils and municipalities. Section 9 outlines local government election of members for a four-year tenure in office. The Chief Administrator of a council or municipality is elected for a four-year term and can be re-elected for a further two-term of four years each.

2.3.2 The Institutional framework for PFM

Executive
The Executive derives its powers from Chapter 6 of the 1997 Constitution. It is headed by His Excellency The President of The Republic of The Gambia and ably assisted by an Executive Vice-President. The Executive consists of 19 Cabinet Ministers chaired by the President. The Executive runs the government machinery.

Political Administration, National Ministries Departments & Agencies
Currently, there are 22 Ministries, Departments and Agencies (MDAs). A Minister of State appointed by the President heads each Ministry. Further, a PS is the head and accounting officer for the day-to-day administration of each ministry. There are 5 rural administrative regions in the Gambia - Western Region, Lower River Region, North Bank Region, Central River Region and Upper River Region. In addition to these, there are 8 local councils, namely, Banjul City Council; Kanifing Municipal Council; Brikama Area Council (AC); Mansakonko; Janjangbureh; Kuntaur; Kerewan; and Basse Area councils.

Legislature
Chapter 7 of the 1997 Constitution provides the constitutional powers of the NA. The Gambian NA is a unicameral legislature, headed by the Right Honourable Speaker, consisting of 53 parliamentary seats, 48 of which are elected through a democratic election of a simple majority, and the remaining 5 are appointed by the Executive President in accordance with Article 88 of the Constitution. Each National Assembly Member (NAM) has a constitutional tenure of 5 years and can be re-elected. All constitutional matters and subsidiary legislations affecting the Republic of The Gambia are considered and passed by the NA, and assented by the Executive President. According to the 2012-2017 parliamentary years, the NA has 5 Standing Committees *(standing committees are authorised by law)* and 7 Select Committees *(select committees are created as and when needed)*. Key among the Standing Committees include but not limited to the following:

- Public Accounts Committee/Public Enterprises Committee (PAC/PEC) - it performs an oversight role over the Auditor-General by scrutinising all audit reports submitted by the Auditor-General for central government, local authorities, AGAs and public enterprises.
- Public Appointments Committee - it is responsible for vetting nominations for public and political office such as Ministers of State
- Privileges Committee - it oversees the welfare of National Assembly Members to ensure they deliver on their constitutional mandate

Judiciary
Chapter 8 of the 1997 Constitution establishes the judiciary and guarantees its independence. The Judiciary consists of the Supreme Court, the Court of Appeal, the High and special criminal courts and magistrate and lower courts. All matters of legal interpretation are referred to the courts.

Auditor-General
Articles 158 and 159 of the Constitution, as well as the Finance and Audit Act 1964 establish the Auditor-General and the National Audit Office. The new Public Finance Bill, 2014 (Section 66(1)) mandates the Auditor-General to audit the annual financial statements of government and submit an audit report to the National Assembly within

three months of receipt of the annual financial statements. The Auditor-General and the SAI (National Audit Office) of The Gambia have constitutional powers to audit all government ministries, departments and agencies, including local government authorities. Further, the Constitution empowers the Auditor-General *(as per Article 160(2) (b) of the 1997 Constitution)* to disallow and surcharge any illegal public expenditure. This vested power, however, does not preclude the Auditor-General from a High Court challenge. Sections 13 and 14 of Cap 75:01 of the Finance and Audit Act 1964 outline the duties and powers of the Auditor-General respectively.

Audit Committees

A new Public Finance Bill, 2014 (Section 71) provides the legal and regulatory framework governing the establishment and functions of audit committees. Cabinet has also approved a final draft audit charter, which includes an outline of the functions and responsibilities of audit committees; the final draft charter is currently receiving parliamentary scrutiny and approval. The membership of the audit committee is not provided for in the new Act but empowers the Minister of Finance to approve its membership. Officials say a five-member audit committee exists in most of the ministries to oversee the implementation of audit recommendations.

Ministry of Finance and Economic Affairs

Public Finance Management (PFM) revolves around the MoFEA and therefore is pivotal to the successful implementation of all PFM reforms in The Gambia. A number of directorates and units play key roles in this regard; amongst them include but not limited to the following:

- Budget Directorate: coordinates the formulation and preparation of central and national government budget together with departmental budget.
- Debt & Loans Management Directorate: for reconciling and updating all central government loans, guarantees, PPP and other investments. It is also responsible for recording donor grants
- DNT/Office of the Accountant General; for providing policy leadership in preparation of in-year and annual financial reports.
- Directorate of Internal Audit - for carrying out all internal audit functions; this is a centralised function which is an ex post internal audit function.
- Macro Policy Analysis Unit- this unit is supposed to be responsible for forecasting tax and non-tax revenues; however, this tax forecasting role is in practice performed by the Gambia Revenue Authority.
- PFM Reforms Unit- it coordinates the implementation of public finance management reforms.

IFMIS Gambia

The World Bank is funding the rollout and implementation of the Integrated Financial Management Information System (IFMIS). Following the successful testing and piloting of IFMIS in some selected MDAs in 2006, the IFMIS came live in January 2007. Currently, it is rolled out across all 22 central government ministries. The next phase of rollout is to self-accounting government institutions such as Gambia Public Procurement Authority (GPPA) and the PE National Water and Electricity Company (NAWEC), just to mention a few. Further, it is envisaged to continue the rollout in 2015 to the five administrative regions in The Gambia. At present, IFMIS has the following active modules: account payable, account receivable, cash management, budgeting, payroll and general ledger. Two forms of data connectivity are use; Wide Area Network (WAN) through Wiremax and Local Area Network (LAN) through fibre optic. The data centre is hosted at the DNT, with a backup system known as the business continuity site hosted outside Banjul. The IFMIS chart of accounts (CoA) is 43 digits provisioned to report financial information up to the sub-sub-vote level; currently it is only functionally active at the sub-vote level

Public Enterprises & Autonomous Government Agencies

Article 175 of the 1997 Constitution establishes public enterprises. It defines public enterprise as any corporate entity wholly owned or controlled by the government. There are about 55 to 77 public entities (ref. PI-9 (i)) in The Gambia, of which the Assessment considers about 13 to be PEs. Public entities are mandated, as per Article 175(5) of the

Constitution to prepare and submitted annual financial statements to the National Assembly within three months after the end of the preceding FY.

The Central Bank of the Gambia

Article 161 of the 1997 Constitution establishes the Central Bank. It provides banking services to the government; it also promotes and maintains currency stability and regulates the financial sector in The Gambia. Article 162(11) of Constitution stipulates that the Central Bank shall be subject to the directions and control of the Minister of Finance and Economic Affairs in its line of duties and functions.

2.3.3 The key features of the PFM system

The FY of The Gambia is January 1 to December 31. The MoFEA spearheads central government's policy development and coordinates the inputs of line ministries budgeting and reporting. The annual policy document (budget) is prepared following cabinet approval of the annual budget policy paper known as the budget framework paper (BFP). The final budget estimates are submitted to the National Assembly around November each year, allowing the legislature up to 30 days for the passing of the Appropriations Act, before the beginning of the new FY. In the event that parliament is unable to pass the Appropriations Bill by December 31, Section 32(1) of the Government Budget Management and Accountability Act (GBMAA), 2004 empowers the President to authorise spending of up to one-twelfth of the preceding year's actual expenditure for four months beginning January 1.

The TSA is not yet operational. The main central government account is the Consolidated Fund account held at the Central Bank. The roll out of the IFMIS, piloted in selected MDAs in 2006 and fully rolled out across all central government ministries in 2009, has significantly improved the preparation of central government annual financial statements in a timely manner, for onward submission to the Auditor-General for annual audits. A decade of backlog of financial statements has been cleared: currently, annual financial statements for 2012 and 2013 FYs have been submitted to the Auditor-General for external audit. Financial statements are prepared using the cash accounting basis, compliant to IPSAS cash. In accordance with Section 43 of the GBMAA, audited accounts are submitted to the National Assembly and scrutinised by the Public Accounts Committee, which is required to proffer recommendations for executive action.

3 Assessment of PFM Systems, processes and institutions

3.1 Budget credibility

3.1.1 PI-1 Aggregate expenditure out-turn compared to original approved budget

This indicator assesses the difference between actual primary expenditure and originally budgeted primary expenditure for the budgetary CG. The assessment period for this indicator is the last three completed FYs: FY 2011, 2012, 2013 in the case of this Assessment. The indicator considers the original budget approved by the NA (and not the revised or supplementary estimates) and primary expenditure, i.e. excluding debt service charges and externally financed project/program expenditure, as these are outside the Government's control. The scoring methodology already allows for one unusual year to be excluded[11] by focusing on performance in two out of three years covered by the assessment.

As shown in Table 3.1 below, the aggregate expenditure deviation between FYs 2011-2013 was significant and increasing, with the highest deviation occurring in FY 2013. Moreover, actual expenditure was more than budgeted, with negative implications for fiscal sustainability. As actual expenditure deviated from budgeted expenditure by more than 15% in only one of the three FYs assessed (FY 2013), and by more than 10% in two FYs (FY 2012 and FY 2013), the score is "C". The detailed calculations for PI-1 and PI-2 are reported in Annex 2.

Table 3.1.a. Comparison of Budget estimates against Actuals for CG Budgetary Primary Expenditure, FYs 2011-2013
(in GMD thousands)

	FY 2011	FY 2012	FY 2013
Primary original expenditure (budgetary CG)	**3,867,391**	**3,943,746**	**4,294,274**
Primary outturn (budgetary CG)	**4,043,199**	**4,512,477**	**5,646,297**
Aggregate expenditure deviation	**175,808**	**568,731**	**1,352,023**
Aggregate expenditure deviation (% of original budget)	4.5%	14.4%	31.4%

Sources: IFMIS, Consolidated Government Financial Statements for FY 2011 (Audited), Consolidated Government Financial Statements for FY 2012 (draft accounts/unaudited), Consolidated Government Financial Statements for FY 2013 (draft accounts/unaudited).

Table 3.1.b below provides figures for total GLF CG budgetary expenditure and the detail of the expenditure items that were not included in the data for the scoring of PI-1, except for data on donor-funded expenditure through project/program loans and grants. This was not included in the calculations as per the methodology, and is not be detailed.[12] It also shows the revised estimates for FYs 2011, 2012, 2013.

[11] Thus, the "unusual" year does not contribute to the score. Allowance for it is made in the PEFA methodology as it recognizes the possible impact of unusual circumstances such as external shocks or domestic problems.

[12] The detail could not be provided, as the main data source for the Table data is the appropriation report in the Financial Statements which only includes GLF-financed expenditure. The appropriation report was used as it is the most exhaustive source of information for actual expenditure, and the one that could provide the data needed for the purposes of the assessment of PI-1 and PI-2.

Table 3.1.b : Total and Primary CG GLF budgetary expenditure, FYs 2011-2013 *(in GMD thousands)* [13]

	FY 2011			FY 2012			FY 2013		
	Approved Budget	Revised Budget	Actual Expenditure	Approved Budget	Revised Budget	Actual Expenditure	Approved Budget	Revised Budget	Actual Expenditure
Total GLF CG budgetary expenditure	**5,324,565**	**5,940,874**	**5,383,010**	**5,325,436**	**6,353,224**	**5,150,989**	**5,999,064**	**8,044,395**	**7,652,233**
Debt Interest payments	903,605	1,033,048	926,334	960,752	1,169,885	1,113,803	1,101,177	1,436,799	1,374,408
Debt Principal repayments	553,570	734,127	413,477	420,938	560,299	526,708	603,613	662,490	631,528
Total Primary Expenditure	**3,867,391**	**4,173,699**	**4,043,199**	**3,943,746**	**4,623,040**	**4,512,477**	**4,294,274**	**5,945,106**	**5,646,297**

Sources: IFMIS; Appropriation reports in the Consolidated Government Financial Statements for FY 2011 (Audited), Consolidated Government Financial Statements for FY 2012 (draft accounts/unaudited), Consolidated Government Financial Statements for FY 2013 (draft accounts/unaudited).

[13] Minor differences can be found between the figures on approved and revised budget estimates uploaded in IFMIS and the ones in the approved budget. The differences were examined and found to be immaterial and have immaterial impact on the results for aggregate and composition variance and thus PI-1 and PI-2 scores.

Performance change since the 2010 Assessment

The 2010 Assessment found the following results for aggregate expenditure deviation (% of original budget): -18.6% (FY 2005), 4.5% (FY 2006), 7.7% (FY 2007). The size of the variations has thus increased compared to 2008. Moreover, the tendency compared to 2008 is for actual expenditure to be higher than budgeted, both : 1) as the highest variation in the period assessed by the PA was negative, whereas the highest in the period assessed by the 2014 Assessment was positive and at 31,4%; and 2) as all the variations for the Current Assessment (CA) are positive. The 2010 Assessment correctly scored PI-1 "B" as aggregate expenditure deviation in percent of the original budget was below 10% in two of the three FYs assessed, and above 15% in only one FY.[14] Thus, as the slippage in scores suggests, performance has slipped. There are no other factors affecting the slippage in scores besides the slippage in performance.

Table 3.1.c: Aggregate expenditure deviation (% of original budget), 2010 and 2014 Assessments

2014 Assessment: aggregate expenditure deviation (% of original budget)	**4.5%** (FY 2011)	**14.4%** (FY 2012)	**31.4%** (FY 2013)
2010 Assessment: aggregate expenditure deviation (% of original budget)	**-18.6%** (FY 2005)	**4.5%** (FY 2006)	**7.7%** (FY 2007)

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score Scoring Method M1	Performance change and other factors
PI-1	Aggregate expenditure out-turn compared to original approved budget	**B**	**C**	Actual expenditure deviated from budgeted expenditure by more than 15% in only one of the three FYs assessed (i.e. FY 2013), and by more than 10% in two FYs (FYs 2012 and 2013).	The rating has slipped from "B" to "C". Scores are comparable and thus performance has slipped. There are no other factors.

3.1.2 PI-2 Composition of expenditure out-turn compared to original approved budget

This indicator assesses government's ability to adhere to the budget allocations given to Ministries, Departments and Agencies (MDAs), which is not captured by PI-1: in other words, it evaluates the credibility of the budget as a statement of policy intent. Since 2011, it also assesses the use of the contingency reserve (see Box 1). Like PI-1, it considers the budgetary CG, primary expenditure and the original budget. Also like PI-1, it is to be assessed over the last three completed FYs: FY 2011, 2012, 2013 in the case of this Assessment. The scoring methodology for dimension (i), like in PI-1, allows for "unusual "or "outlier" year.

[14] Also refer to the *FieldGuide* clarification 1-I, page 21.

Box 1: Modification of the PEFA methodology for PI-2

In January 2011, the PEFA methodology for PI-2 (and PI-3, PI-19) was modified by the PEFA Secretariat. For PI-2, the revision has resulted in a modified first dimension for PI-2 and a second new dimension to better account for the use of the contingency vote. The first dimension measures the extent to which reallocations between budget heads during execution have contributed to variance in expenditure composition. Since 2011, this dimension is calculated without taking the contingency vote into consideration. The use of a contingency vote, which is considered to be detrimental to budget credibility if it exceeds certain thresholds and is reported directly against the contingency vote, is now the subject of the second dimension.

(i) Extent of the variance in expenditure composition during the last three years, excluding contingency items

The composition variance has been calculated for the 20 main budgetary heads ("budget entities" in the GoTG budget) that are included in the approved budget.[15] The detailed methodology is explained, and the detailed calculations are reported, in Annex 2. As shown in Table 3.2, for FYs 2011-2013, the variance in expenditure composition exceeded 15% in two FYs. As for PI-1, the results for PI-2 (i) also display a negative trend with the size of the variation increasing in the most recent years. The budget heads with the largest variations change in each of the FY assessed. In FY 2013, the budget heads with the largest variations were: Office of the President, Ministry of Agriculture, Ministry of Youth and Sports, Ministry of Justice, Ministry of Higher Education (see Annex 2).

Table 3.2 : Expenditure composition variance and Contingency share of budget for FYs 2011-2013

	FY 2011	FY 2012	FY 2013
Total expenditure variation i.e. PI-1	4.5%	14.4%	31.4%
Composition variance i.e. PI-2(i)	12.3%	15.8%	23.2%
Contingency share of budget i.e. PI-2(ii)	2.2%	2.1%	2.2%
Average contingency share	2.17%		

Sources: IFMIS, Consolidated Government Financial Statements for FY 2011 (Audited), Consolidated Government Financial Statements for FY 2012 (draft accounts/unaudited), Consolidated Government Financial Statements for FY 2013 (draft accounts/unaudited).

Findings under other indicators (ref. PI-16 and 27) suggest that performance under this dimension is linked to the wide scope granted by the legal framework for in-year reallocations between budget heads.[16]

(ii) The average amount of expenditure actually charged to the contingency vote

In the GoTG budget, expenditure for contingency items is provided for under the budget heading " miscellaneous". The "miscellaneous" heading is, and has between FY 2012-2013, been used for two types of contingencies: 1) unplanned expenditure for "other charges", and 2) unplanned expenditure for "personal emoluments" . The first category also comprises the contingency item for "urgent and unforeseen expenditure" and natural disasters that is the one referred to as "contingency" by the GoTG legal framework. This contingency expenditure is provided for under the Constitution (section 154) and detailed

[15] *Approved Estimates of Revenue and Expenditure* for FYs 2011,2012, 2013.
[16] GMBAA,Part V, section 30. Refer to Box 16 under PI-16 for a detailed presentation of the legal provisions for in-year reallocations.

in the Year-end accounts, under "Explanatory Note 24". Given the PEFA Framework definition, provided under PI-2 (ii) of what should be considered as "contingency" for the purposes of the assessment of PI-2 (ii),[17] the whole of the "miscellaneous" vote and "miscellaneous " expenditure at year-end not charged under the budget entity heading but under the budget heading "miscellaneous" has been considered to assess PI-2 (ii). The "miscellaneous" vote is a separate vote in the Budget.

As shown in Table 3.2, for FYs 2011-2013, on average, the amount unallocated at year-end and charged to the "miscellaneous" vote was low, at 2.17% of the original budget (also see Annex 2). The amount charged to the contingency fund was on average only 0,36% of the original budget, for FYs 2011-2013. Although the miscellaneous charges were also low, the GMBAA does not regulate the use of the "miscellaneous" item, so that only the use of the contingency fund proper seems to be authorised by the legal framework. [18]

Performance change since the 2010 Assessment and other factors

The methodology for assessing PI-2 has changed in 2011, so that the 2010 and the 2014 Assessment results are not directly comparable. The 2010 Assessment rated the PI "C". In the 2010 Assessment, the results on the expenditure composition variance were: 12.6% (FY 2005), 23.4% (FY 2006), 23.6% (FY 2007). Dimension (ii), on the average amount of expenditure actually charged to the contingency vote, was not part of PI -2 in 2010.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-2	Composition of expenditure out-turn compared to original approved budget	**C**	**D+**	Scoring Method M1	**Change in performance is not assessed as the scores are not comparable. The assessment methodology for PI-2 was revised in 2011.**
(i)	Variance in expenditure composition excluding contingency items[19]	C	D	Variance in expenditure composition exceeded 15% in two of the last three FYs (FY 2012 and FY 2013).	2010 and 2014 scores are not comparable. This dimension has been modified by the revision of the PEFA Framework in 2011, to exclude contingency items.

[17] "Contingency items should (...) include clearly defined items which are unallocated at budget preparation time but used to cover shortfalls in spending in any budget unit during execution. They can include a reserve allocation for wage increases (...) held centrally but distributed to budget users once the level of increase has been settled (...). These are usually established either as a separate vote, or as a sub-vote under the Ministry of Finance, with a clearly marked title such as "contingency reserve" or **"unanticipated/miscellaneous expenditure".** *(PEFA Framework*, 2011, page 14a).

[18] The IMF FAD TA mission report April 2014 and the NAO also raised concerns about the use of contingency expenditure and whether contingency expenditure was actually used for unplanned and unforeseen events.

[19] Before 2011 (and thus in the 2010 Assessment), dimension (i) assessed the "extent to which variance in primary expenditure composition exceeded overall deviation in primary expenditure during the last three years" (PEFA Framework, 2005).

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
(ii)	Average amount of expenditure actually charged to the contingency vote	N/A	A	The average amount of expenditure actually charged to the contingency vote over the last three FYs was below 3% of the original budget.	2010 and 2014 scores are not comparable, as this dimension has been introduced in 2011 and was thus not assessed in 2010.

Ongoing reforms

The advancement of the MTEF implementation (ref. PI-12) and that of Program Budgeting (PB) –ref. PI.5- may improve performance under this PI. That said, the recently enacted Public Finance Bill[20] has the same rules for in-year reallocations as the GMBAA.

3.1.3 PI-3 Aggregate revenue out-turn compared to original approved budget

Accurate forecasting of domestic revenue is a critical factor in determining budget performance, since budgeted expenditure allocations are based upon that forecast. To ensure budget credibility and fiscal discipline, it is important to accurately forecast domestic revenue to guide the allocation of funds for budget execution. This indicator compares actual total domestic revenue to the originally budgeted domestic revenue for the past three FYs: FYs 2011-2013 for this Assessment.

Box 2: Modification in PEFA methodology for the assessment of PI-3

In January 2011 the PEFA Secretariat introduced revisions to the guidelines on how to analyze and score this indicator. Under the original arrangement, a score of A was automatically provided in situations where actual revenue exceeded budgeted revenue. As a result, the score did not reflect the fact that such a result was not necessarily a reflection of good performance but might arise due to poor or over-cautious revenue forecasting or windfall gains from rising commodity prices. The new methodology, therefore, allows for such a case by introducing the possibility of lower scores even when actual revenue exceeds budgeted revenues.

The upside scale differs from the downside, though, to reflect the fact that under-realisation of revenue has more serious consequences than over-realisation and that, within reasonable limits, prudent revenue forecasting is to be commended. Thus, whereas the cut-off point for a score of A is3% under-realisation, it is the double of that (6%) for over-realisation and a similar pattern applies for lower scores.

(i)Actual domestic revenue compared to domestic revenue in the originally approved budget

The data presented in the Tables below indicate that the total collection of domestic revenue for the period assessed was generally lower than originally forecasted in the budget. This may indicate that there was typically an over-estimation of revenue. Analysis of the data shows a substantial volatility in individual types of revenues, particularly VAT and non-tax revenue, compared with forecasts and estimated amounts.

[20] *Public Finance Bill 2014,* March 2014.

Table 3.2a: Domestic revenue collection, FYs 2011-2013*(in thousand GMD*)

	FY 2011		FY 2012		FY 2013	
Item	**Budget**	**Actual**	**Budget**	**Actual**	**Budget**	**Actual**
Total Revenue	4,590.2	4,216.2	4,613.9	4,762.4	5,385.8	5,165.6
Tax Revenue	4,068,7	4,054.2	4,042.6	4,558.4	4,787.1	4,944.2
Non Tax Revenue	521.6	161.9	571.2	204.0	598,7	221.4

*Source: **data on original budget** =MOFEA/Budget Directorate-Budget Overview 2011-2014; data on **actual revenue collected**=MOFEA/DNT "Statement of Revenue and expenditure" FYs 2011, 2012, 2013.*

Table 3.2b: Variance of domestic revenue collection (actual/budget) in %

Item	FY 2011	FY 2012	FY 2013
Total domestic revenue	**91.9**	**103.2**	**95.9**
Tax revenue	99.7	112.8	103.3
Non Tax Revenue	31.0	35.7	36.9

*Source: **data on original budget** =MOFEA/Budget Directorate-Budget Overview 2011-2014; data on **actual revenue collected**=MOFEA/DNT "Statement of Revenue and expenditure" FYs 2011, 2012, 2013.*

During the period under review, total revenue collection was under-executed in two cases, while the tax revenue shows an over-execution in 2012. On the other hand, there is a concern with the collection of non-tax revenue (NTR) that was under executed in all three years and dropped significantly in 2013 (at just 36 % of the estimated revenue). During the period 2009-2013, the share of NTR in the total revenue has actually decreased from around 6 % to just 4.1% at the end of last year. This is despite the fact that improvements in the collection and management of the NTR administered by MDAs and widening the revenue base for NTR were critical issues included in the PFM strategy (2010-2014).

Forecasting of revenue and expenditure at MoFEA is the responsibility of the MPAU, but its performance continues to be weak. The macro fiscal forecasts frameworks published for the past two years have varied significantly with the actual revenue collected. The Ministry has not so far an established system or process for testing the accuracy of previous forecasts. Also there is no systematic record of forecasts used in the past. Monthly (tax) revenue forecasting of the GRA is rather weak. At the beginning of the year GRA prepares a monthly collection plan, in principle for their own monitoring purposes. Non tax revenue and grants are however not forecasted on a monthly basis. GRA produces also an internal monthly performance report, which provides detailed explanations on the revenue collection of the previous month. The Assessment also has reservations about the accuracy and reliability of the data provided.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score Scoring Method M1	Performance change and other factors
PI-3	Aggregate revenue out-turn compared to original approved budget	**B**	**B**	Actual domestic revenue was between 94% and 112% of budgeted domestic revenue two of the last three years. The ratios were: 91.9 % (FY 2011), 103.2 % (FY 2012) and 95.9 % (FY 2013). That said, the	**Although scores are the same, they are not comparable. Change in performance is not assessed as a result.** In January 2011, the PEFA Secretariat modified the criteria used to score this indicator

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score Scoring Method M1	Performance change and other factors
				Assessment has reservations about the accuracy and reliability of the data provided.	to incorporate both positive and negative deviations. Overestimation of revenue is more serious as it can lead to larger deficits if expenditure is not reduced accordingly.

Ongoing reforms

On the basis of revenue estimates as of 31/08/2014, revenues forecast seemed to be slightly improving. For the rest, refer to the reforms undertaken by GRA (see *ongoing reforms* sections for PI-13, PI-14 and PI-15) and MPAU/MoFEA towards improving the quality and reliability of the revenue forecasting systems.

3.1.4 PI-4 Stock and monitoring of expenditure payment arrears

This indicator considers to what extent the stock of expenditure arrears of the budgetary CG is known and represents a concern as well as to what extent it is being monitored in order to be controlled. The period under review is the last two FYs i.e. FYs 2012 and 2013.

In The Gambia there is no legal definition for expenditure payment arrears. The payment period generally applied varies among the different expenditure categories. However, in principle, all invoice not paid at the end of the year would constitute arrears.

Staff payroll payment and payment of interest on debt are paid regularly and usually do not result in arrears. Once goods and services have been delivered to an MDA by a supplier who has issued an invoice, and payment has been authorized, the payment occurs by drawing funds from the MDA accounts at the CBG. These accounts are replenished by the Treasury according to the approved monthly cash ceilings and financial transfers and in the limit of the financial orders that correspond to the budget's appropriated allocations. Arrears accumulate in the system due to incurring of expenditure and contractual obligations beyond fiscally sustainable levels. The legal and regulatory provisions allow the commitment to be entered and controlled against the level of annual appropriations, instead of the monthly financial transfers. When the commitment exceeds the periodical allocation released to the MDAs, the legal obligation cannot be met by the spending unit thus causing payment arrears. The approval of Supplementary budgets that increase the original budgetary allocations during the lasts fiscal years on one hand, combined with the slowdown in total collection of domestic revenue compared to the originally forecasted (see PI-3), has also contributed to the generation of arrears during the period assessed. Arrears can also build up as commitment controls may not always be effective. This situation may result in MDA commitments that exceed the budget allocations, and whose payments are refused by the internal controls. These practices seem mostly linked to the existence of "uncovered" needs by the approved budgetary allocations due to a price increase, the rise of new needs or a change in the initial priorities, as well as to higher level of execution on public works and housing (or sometimes dictated by a political economy). This type of arrears might equally appear under the Procurement Authority, which is responsible for the management of majority of the tenders carried out in The Gambia (see PI-19).

Generally, arrears are eventually paid when additional cash resources become available. However, for certain arrears, it is also necessary to create appropriate budgetary allocations through virements and transfers into the concerned budget line or by the approval of a supplementary budget. When this is not possible, the payment has to be delayed until the following FY and then will be deducted from the budget allocations approved for that year.

(i) Stock of expenditure payment arrears (as a percentage of actual total expenditure for the corresponding fiscal year) and any recent change in the stock

Currently the stock of expenditure payment arrears at the start of the year is not shown in the budget. Apparently, the lack of a proper system of capital commitment control has led to accumulation of significant arrears. MoFEA did provide some data on arrears for the period 2010-2013. The stock of expenditure arrears of the Central Government for the last four FYs is shown in the table below. It concerns however only a part of Government arrears (those corresponding to “Government’s equity share participation”). The Gambia uses IPSAS on a cash basis, and arrears amounts are not necessarily captured in the IFMIS. Based on data provided -the “Government arrears”- as percentage of total expenditure is relatively small at around 3.1 % in the last FY. Nevertheless, their absolute level has regularly increased by 45 % between 2010 and end of 2013. Details are provided in the table below.

Table 3.4a: Government Arrears 2010-2013 (thousands of GMD)

Description	Total Arrears 2013	Total Arrears 2012	Total Arrears 2011	Total Arrears 2010
Arrears on shares taken by the Government of The Gambia in BSIC Group	**244,084**	**201,219**	**181,021**	**168,453**
% of Total Expenditure	**3.1**	**3.2**	**3.3**	**3.4**

Source: MoFEA/Budget Directorate; DNT: Consolidated Financial Statements for the Year Ended 31/12/2010, 2011 (audited accounts), 2012 and 2013 (non-audited accounts)

In addition to the above arrears, the MoFEA/DNT has also provided data on arrears captured in the IFMIS. The Government Financial Statements for the period 2011-2013 show another set of figures (those captured in the IFMIS) which display a different situation, in which substantial arrears are due to the water and electricity company NAWEC. On this basis, the level of arrears at the end of each year has followed a downward pattern since 2010, save for FY 2012. Their level as of end of the FY 2013 was estimated at GMD36.5 million, which compared with the total expenditure in 2013 appears insignificant. Based on the same set of figures, the trend of the government arrears over the past two years has followed a downward pattern, since their total amount has decreased by around 24 % during the period.

Table 3.4b: Government's arrears and guarantees at end of year 2010-2013 (GMD million)

Description	Actual 2011	Budget 2011	Actual 2012	Budget 2012	Actual 2013	Budget 2013
NAWEC arrears			44.9	44.9	30.0	30.0
Liquidation of Trust Bank Guarantee						
Settlement of outstanding confirmed debt			22.8	23.0	6.5	6.5
Settlement of Trust Bank Guarantee	48.7	48.7				
Total	**48.7**	**48.7**	**67.7**	**67.9**	**36.5**	**36.5**

Source: MOFEA/DNT Consolidated Financial Statements 2011(audited) and 2012-2013 (unaudited) & Explanatory Notes 13 b-Arrears and guarantees for the years ending 31/12/2010, 31/12/2011, 31/12/2012 and 31/12/2013.

In 2013 significant unplanned expenditure has necessitated the introduction of a supplementary budget of GMD300 million. This expenditure has included, among others, the payment of arrears totalling GMD 57.5 million; this clearly demonstrates the threat that arrears pose to fiscal outcome. The failure to budget and plan for these arrears means that it is difficult for MDAs to properly plan their budget programmes; it may also mean essential resources are pulled away at the last minute to meet arrears. Thus, based on different sets of data, one can obtain completely different results and interpretations concerning the trends of arrears during the past years. The team notes that the data provided by MOFEA is not consistent and that its accuracy and reliability is not guaranteed. Besides, as mentioned in the last IMF/FAD report, September 2014 "*in the absence of a legal definition, the accurate level of arrears is unknown".*

In summary, dimension (i) cannot be rated in the absence of accurate and reliable data. There is still a lack of clear and common definition of arrears and types of arrears, and no clearly defined procedures for their monitoring and validation. Government arrears are not systematically monitored and remain largely unreported and their real amount is not known.

(ii) Availability of data for monitoring the stock of expenditure payment arrears

Partial information on arrears is generated annually and included as an annex to the Government's annual financial statements. Based on the information supplied by MoFEA, existing arrears are nevertheless not broken down by age, arrears to suppliers, employees, debt interest, etc. No inventory of arrears was performed during the past two years by the authorities.

There is no accurate and reliable data for monitoring the stock of expenditure payment arrears for the last two years. The MoFEA accounting system is on a cash basis and commitment expenditure is not included in fiscal reports. The MDAs are responsible to execute their budget allocations and to proceed with the payments by using the funds transferred to their accounts by the Treasury. The amount of these funds is approved taking into account government cash resources, and the level of commitments made. The MDAs report on their budgetary execution on a monthly basis, and actual expenditure is aggregated on a cash basis, but it does not show details on expenditure arrears. As a result, MDAs may have some data on their own stock of arrears, but the data is generally not reported to the MOFEA. It is therefore suspected that in reality there are more arrears in the system compared to those recorded at DNT. (See also explanations provided at dimension (i)). There is no centralized reporting system in place for monitoring arrears. The issue of their *lack of definition* may also be a reason for the lack of a centralised monitoring system.

In conclusion there is no accurate and reliable data for monitoring the stock of expenditure payment arrears for the last two years.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-4	Stock and monitoring of expenditure payment arrears	**NS**	**NR**	**Scoring Method M1**	**Though score are not comparable, no change in performance.**
(i)	Stock of expenditure payment arrears (as a percentage of actual total expenditure for the corresponding fiscal year) and a recent change in the stock	NS	NR	Data provided by MoFEA show that the stock of arrears represents around 3.6 % of total expenditure at end 2013 but the overall arrears stock remains unknown.	**Performance unchanged**. The dimension was not rated in the absence of accurate and reliable data, in both assessments. The PA attributed a rating of “NS” to the dimension, when the dimension was “NR”, on the same grounds as in the 2014 assessment (i.e. absence of reliable and exhaustive data on the stock of arrears).
(ii)	Availability of data for monitoring the stock payment arrears	C	D	There is no accurate reliable comprehensive data for monitoring the stock of expenditure payment arrears for the last two years.	**Scores are not comparable. Performance unchanged.** The basis for the 2010 assessment and rating of dimension (ii) appears uncertain given the evidence provided by the PA.

Ongoing reforms

Due to the accumulation of significant stock of expenditure payment arrears especially on utilities, a system was introduced in 2013 for offsetting most of government outstanding arrears by operating on a prepaid arrangement with the exception of the security sector and hospitals. Almost 95% of MDAs are on this arrangement. As part of the reform process MoFEA is willing to work jointly with its development partners, notably the IMF/AFRITAC, to elaborate a clear definition and typology of arrears, to determine the quantum of outstanding arrears and to confirm their existence. The information will then be used in “budget bilaterals” to ensure MDAs appropriately budget for these items and avoid reoccurrence of arrears.

3.2 Comprehensiveness and transparency

3.2.1 PI-5 Classification of the budget

This indicator assesses the quality of the classification system used in practice for formulating, executing and reporting of the CG budget. The period for the assessment of this PI is the last FY, i.e. FY 2013 in the case of this Assessment.

Dimension (i) The classification system used for formulation, execution and reporting of the CG budget.

The classification system used by the GoTG is the same for budget preparation, execution and reporting at year-end. The budget and Chart of Accounts (CoA) are aligned and the same classification is embedded in IFMIS. This classification comprises: administrative, economic and functional classification. Revenue is classified by administrative and economic category and in line with GFS standards. As per GFS standards, revenue is broken down by recurrent and capital revenues, with each detailed further by tax and non-tax revenue, and the tax revenue by tax type. Revenues are also classified by own sources and external grants.[21] Expenditure is also classified by administrative and economic category at all three stages, at the formulation stage (in the *Estimates of Revenue and Expenditure*), during execution and at year-end in the GoTG Financial Statements. The economic classification of expenditure is in line with GFS standards and categorises expenditure in the following economic categories: 1) Compensation of employees, 2) Use of goods and services, 3) Consumption of fixed capital, 4) Subsidies, 5) Grants, 6) Social benefits, 7) Other expense. Interest is also included as per GFS 2001 eight's category[22].The additional statements (37 and 38 respectively) in the consolidated accounts present expenditure by economic and functional category. Poverty reducing expenditure and expenditure classified by the PAGE priority areas are also provided under statement 39 of the consolidated annual financial statement.

Expenditure is classified by 14 functions: 1) Recurrent General Public Services, 2) Defence, 3) Public Order & Safety, 4) Education, 5) Health, 6), Social Security & Welfare, 7) Housing & Community Amenities, 8) Recreational, Cultural & Religious Affairs, 9) Fuel & Energy, 10) Agriculture, Forestry, Fishing & Hunting, 11) Mining & Mineral Resources, Manufacturing & Construction, 12) Transportation & Communication, 13) Other Economic Affairs, 14) Other. The 14 functions report expenditure in line with the COFOG functions (as functions of the GoTG classification correspond to the 10 COFOG main functions), expect for *Environmental Protection,* which is a main function in COFOG and not in the GoTG classification.

Thus, the functional requirement of PI-5 is not met. The GoTG classification does include sub-functions, but these do not provide for the formulation and reporting of information in line with GFS/COFOG standards; the adoption of program classification is underway.

[21] As with expenditure, the information is presented for revenue as detailed in the main text, in the budget estimates, the year-end financial statements and can be derived from IFMIs during the year.
[22] Though it is not as clearly presented as the others in the FY 2013 accounts, Additional Statement No 37 GOTG Budget Performance Report - Economic Classification.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score Scoring Method M1	Performance change and other factors
PI-5	Classification of the budget	**B**	**C**	The GoTG functional classification is not in line with the COFOG standards or a standard that can produce consistent documentation according to those standards. The administrative and economic classifications in use are in line with GFS.	**No change in performance.** The functional requirement of PI-5 was also not met at the time of the PA. The PA overrated PI-5.

Ongoing reforms

The GoGT has recently started the transition to adopt PB and Performance Based Budgeting (PBB). It is receiving IMF Technical Assistance (TA) in this respect. At the time of the mission, two pilot Ministries had started preparing budgets on program basis: the MoFEA and the Ministry of Transport, Works and Infrastructure (MoTWI), previously Ministry of Ministry of Works, Construction and Infrastructure (MoWCI). In 2015, a further roll-out is planned. By 2016, it is expected that all Ministries prepare their budget in PB format, and for the CG Budget to be presented to Parliament in PB format also. The PB implementation will go hand in hand with the introduction of PBB.

3.2.2 PI-6 Comprehensiveness of information included in budget documentation

This indicator assesses the comprehensiveness of information in the budget documentation submitted to Parliament. The assessment period for this indicator is the most recent budget submitted to Parliament, which, in the case of this Assessment, is the FY 2014 budget and supporting documentation submitted to the NA. The comprehensiveness of the budget documentation is assessed against 9 information benchmarks (detailed in Table 6). In order to count in the assessment, the full specification of the information benchmark must be met.

If a written version of the budget speech is sent to Parliament together with the budget documentation, it counts as supporting budget documentation sent to Parliament. In the case of The Gambia, the budget speech is given by the Minister of Finance on the day of the approval of the budget by the NA and is submitted in writing. It is also later published with the approved estimates (ref PI-10). Table 6 below details the nine information benchmarks, explains whether the information elements are available in the budget documentation sent to the NA, and in which document. It also provides information on the availability of the information elements for the PA.

Table 6: Comprehensiveness of Budget Documentation sent to the National Assembly for the FY 2014 Budget

No.	Information benchmark	Availability in 2014 (Yes/No)	Source /Remarks	Availability in 2008 (as per 2010 PEFA Assessment) (Yes/No)
1.	*Macro-economic assumptions*, incl. at least estimates of aggregate growth, inflation and exchange rate.	**Yes**	Macro-economic assumptions, incl. estimates of aggregate growth, inflation and exchange rate are explained in a detailed manner in the *Budget Speech* by the Minister of Finance in the sections: "global economic outlook" and "developments in the domestic economy".[23] (Source: *Budget Speech for the 2014 Budget).*	**Yes**
2.	*Fiscal deficit*, defined according to GFS or other internationally recognised standard.	**Yes**	The fiscal deficit is reported in the *Estimates* in line with the GFS definition. It is also presented in the *Budget Speech*.	**Yes**
3.	*Deficit financing*, describing anticipated composition.	**Yes**	The deficit financing is reported under the Table "Summary of Government Funds", *Estimates of Revenue and Expenditure 2014.*[24] It is broken down by anticipated sources of financing/anticipated composition.	**Yes**
4.	*Debt stock*, incl. details at least for the beginning of the current year.	**Yes**	The debt stock, detailed by source, for the current and previous year is included in *the Expenditure Budget Funding Overview Table* of the *Estimates of Revenue and Expenditure 2014.*[25] Debt interest payments are detailed in the *Budget Overview Table.*[26]	**No**
5.	*Financial assets*, incl. details at least for the beginning of the current year.	**No**		**No**
6.	*Prior year's budget out-turn*,	**Yes**	Actuals for the prior year are included in the same format	**Yes**

[23] See pages 7 to 13 of the *Budget Speech for the 2014 Budget.*
[24] Page 2 of the *Estimates of Revenue and Expenditure 2014.*
[25] Page 5.
[26] Page 2 of the *Estimates of Revenue and Expenditure 2014.* Historical data on Public debt as % of GDP are also reported in Annex 5 of the *Budget Speech for the 2014 Budget.*

No.	Information benchmark	Availability in 2014 (Yes/No)	Source /Remarks	Availability in 2008 (as per 2010 PEFA Assessment) (Yes/No)
	presented in the same format as the budget proposal.		as the budget proposal in the *Estimates of Revenue and Expenditure.*	
7.	*Current year's budget* (revised budget or estimated out-turn), presented in the same format as the budget proposal.	**No**	The approved budget of the current year is presented in the *Budget Estimates* submitted to the NA, but not the revised or the estimated out-turn.	**No.** Assessed as yes though the source was the revised budget.
8.	*Summarised budget data for both revenue and expenditure* according to the main heads of the classification used, incl. data for current and previous year.	**Yes**	The Draft *Estimates of Revenue and Expenditure* report data for revenue and expenditure detailed by the classification used (administrative, economic and also functional for expenditure) for the current year and the previous year. The data reported for the previous year refer to actual expenditure/revenue; the data for the current year to the approved estimates. Source: *Estimates of Revenue and Expenditure 2014.*	**No.** (The benchmark was assessed as only partially met).
9.	*Explanation of budget implications of new policy initiatives*, with estimates of the budgetary impact of all major revenue policy changes and/or some major changes to expenditure programs.	**No (Partly met).**	The Budget Speech outlines the revenue measures introduced in the coming year.[27] The expected overall increase in revenue is provided in aggregate manner, but not for all the major revenue policy changes. New developments are outlined by Ministry/sector but the changes in expenditure programs are not described nor is the budgetary impact of the new expenditure policy initiatives. *(Source: Budget Speech for the 2014 Budget)*	**No**

[27] Page 39 of the *Budget Speech for the 2014 Budget* .

No.	Information benchmark	Availability in 2014 (Yes/No)	Source /Remarks	Availability in 2008 (as per 2010 PEFA Assessment) (Yes/No)
Performance rating		**6 of 9 benchmarks considered met. Rating is "B".**		**5 of 9 benchmarks considered met by the PA, so the PI was (incorrectly) rated as "B". 4 of 9 were actually met.**

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-6	Comprehensiveness of information included in budget documentation	**B**	**B**	6 out of 9 information benchmarks are met in the budget documentation sent to the NA.	**Though the score is the same, performance has improved.** It has improved with respect to: -the information benchmark No.4 on debt stock reporting (also refer to improvements witnessed under PI-17); - Information benchmark No.8. The information benchmarks Nos. 4 and 8 were not met in the 2010 Assessment and are met in 2014. The change in performance is not adequately reflected in the change in score, as information benchmark No. 8 was incorrectly assessed as met by the PA. The source considered by the PA was the revised, instead of the original budget. As a result, although it appears that the improvement is within the range for the "B" rating, from 5 benchmarks met in 2010 to 6 met in 2014, the actual improvement is from 4 benchmarks met in the 2010 Assessment to 6 met in the 2014 Assessment.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
					A further improvement is that more information is provided in the Budget Speech regarding revenue measures, though information benchmark number 9 is not considered fully met.

Ongoing reforms

The BD is planning to include the revised estimates or the estimated out-turn for the current year (ref. information benchmark No. 7) in the Budget Estimates sent to the NA for FY 2015 or FY 2016.

3.2.3 PI-7 Extent of unreported government operations

This indicator has two dimensions measuring: (i) the level of unreported extra-budgetary expenditure (excluding donor funded projects); and (ii) the information on donor-funded projects included in fiscal reports. The period for the assessment of both dimensions if the last completed FY, i.e. FY 2013 for this Assessment. To count as "reported" operations need to be reported at both the formulation stage (*ex-ante*, in the approved budget) and the execution stage (*ex-post,* in the consolidated government accounts).

(i) The level of unreported extra-budgetary expenditure

There are several categories of public bodies, entities and possible sources of unreported CG operations in The Gambia. The assessment identified three categories.

The first is "subvented agencies". These include all entities that receive a transfer from the CG budget. They comprise for the most part what is usually referred to as AGAs and are also discussed under PI-9 (i). As the information on AGAs is currently dispersed between MoFEA, NAO and PAC/PEC, the Assessment cannot give a definite list of existing AGAs. The most exhaustive published list is that included in the latest PAC/PEC report.[28] This however merges Agencies with PEs. According to the latest PAC/PEC report there are 55 public entities.[29] From the examination of data received from DNT on transfers from the CG budget operated in FY 2013, the Assessment has indentified another 22 subvented agencies (refer to Annex 4). As one entity that is possibly a PE according to the Assessment, compared to the list at DNT, is also subvented, around 65 subvented entities in total have been identified and 77 public entities (PEs and AGAs combined). Of these, the MoFEA units/directorates overseeing PEs considers that 12 are PEs, and the Assessment that 13 are PEs. This would leave 42 AGAs on the basis of the list in the PAC/PEC report and 64 on the basis of the additional list from the DNT transfers (refer to Annex 4 for details).

[28] The one on the October 17th 2013-February 27th 2014 session.
[29] The Assessment has excluded Ocean Bay Hotel and Resort (OBHR), which is part of that list but has now privatised.

Table 7a: PEs/AGAs and subvented agencies in FY 2013

PEs and AGAs/subvented agencies as per latest PAC/ PEC report	55
Additional subvented agencies to the 55 in the PAC/PEC report from DNT information on transfers in FY 2013	22
Total public entities (PEs/AGAs)	**77**
Of the 77 public entities	65 at least are subvented (including 1 PE)
Of the 77 public entities	12 are PEs according to MoFEA, leaving 65 AGAs
Of the 77 public entities	13 are PEs according to the Assessment, leaving 64 AGAs

The subvented agencies comprise: regulatory authorities (for aviation, ports, roads, etc); other regulatory agencies or boards; agencies to promote cultural, educational and scientific activities; universities, hospitals; Commissions of various nature. Most of the agencies are associated with a “parent Ministry”: for instance, GBOS, GRA and GPPA are under MoFEA; hospitals under the MoHSW; the NRA is associated with the MoTWI. The subventions they receive from the CG budget are reported both in the budget and in the annual accounts. PEs don’t systematically receive a subsidy from the CG budget, as the contribution from the CG budget was given in the form of initial capital. When they do, these are reported in the budget and the accounts (as was found for the CG budget contribution to the Social Security and Housing Finance Corporation in FY 2013).

The Assessment has received data on the size of the CG subvention as well as data on the total expenditure for 15 of the subvented agencies. The data are presented in Annex 3, and indicate that agencies rely largely on the CG budget subvention.[30] Meetings indicate that this applies to the majority of subvented agencies. Of the 15 for which data on expenditure has been received, at least 8 are also raising their own revenues. Though the CG subsidy to the Agencies is reported both in the approved budget and in the annual accounts, the Assessment considers that the total expenditure and the own revues for the agencies which are mainly financed (i.e. for which the CG subsidy accounts for most of the expenditure) and/ or mainly controlled by CG should be reported. They should be reported as annex to the fiscal reports (budget and accounts) or submitted to the National Assembly at the same time as the budget and the accounts. Other AGAs are controlled by the CG in so far as the CG is represented and influences the board decisions (this was considered to apply to the NRA for the calculation in Annex 3). Given the number of subvented agencies and AGAs, and that many of them have been created by a separate act of Parliament, further work is to be done to examine the legal status of each, the size of the CG contribution in terms of their total expenditure, and the role of CG in board representation. That will allow to classify the subvented agencies into PEs, AGAs and other agencies. It will also allow to assess in full the amount of expenditure and own revenue that is unreported in fiscal reports. The Assessment has considered the 15 agencies it has received expenditure and own revenue data on, and has assessed the unreported amount for these to equal 1.65% of total CG expenditure for FY 2013. As there are many more subvented agencies identified by the Assessment Team, the amount of unreported operations arising for this category is likely to be much higher.

The second category is funds. Though some of these funds are also “subvented (i.e. SDF in FY 2013), funds are not systematically provided an annual subsidy but were provided an initial capital and/ or are raising revenues on behalf of the CG. The CG is controlling even the funds that do not receive an annual subsidy through its representation in the Funds’ Boards. The Assessment identified: the Roads Fund, which is managed by the NRA; the Drug Revolving Fund (DRF); the National Forestry Fund

[30] For only 3 out of the 15, the CG subvention was under 50% of the agency’s total expenditure, as shown in the Annex.

(NFF), and the Social Development Fund (SDF), though the list may not be exhaustive. Meetings suggest that there could be another fund related to roads (charging a fuel levy), different from the Road Fund mentioned here (that is related to road maintenance).

a. The SDF is under the MoFEA. In FY 2013 it received a subsidy of 6 million GMD. Total actual expenditure could not be assessed, but only the subsidy was reported (meetings suggested the total expenditure is not much more than the subvention). The SDF does not raise own revenue.
b. The DRF in FY 2013 had collected 5.9 million GMD of revenue and had an expenditure of around 5.2 million GMD. Purchase of drugs for the MoHSW amounted to 3.2 million. The revenue of the DRF is reported. The revenue raised through the DRF is reported under non-tax revenue, as the DRF transfers the revenue at the end of the year to the CG budget. The expenditure is reported during the year in a Below the Line (BTL) account and is included in the final accounts, yet as receipts and not as expenditure. The expenditure of the SDF is thus unreported (estimates for the full amount of DRF expenditures are also not included in the approved budget) and is estimated at 0.07% of total CG expenditure for FY 2013.
c. The National Forestry Fund (NFF) is related to the Department of Forestry. Data for the own revenue and expenditure for the NFF were received by the Assessment and are presented in Annex 3. The unreported amount arising from the NFF has been assessed as 0.041% of total CG expenditure for FY 2013. The Assessment has not received data on the Roads Fund and the SDF to be able to quantify the unreported segment of their operations, although funds from the Road Fund may already be captured in the 1.65% above, under the segment for NRA. The NRA in fact manages the Road Fund and its FY 2013 audit report includes the “income from the road fund released” to the income of the NRA and “expenditure for Roads Maintenance”.
d. In any case, the total amount of unreported operations arising from the funds category that could be quantified for FY 2013 equals 0.11% of total CG expenditure, though this amount is not exhaustive (see Table 7b and Annex 3).

A third category identified by the Assessment is **self-raised revenue in the Education sector** through the “Unified Teaching Service Act”. The revenues are generated through school fees that are raised by schools. These revenues and corresponding expenditures were once reported in the budget and accounts, but have been separated from the annual budget and accounts process for operational reasons, from the Ministry of Basic and Secondary Education (MoBSE). The MoBSE is aware of the amounts, which it provided to the Team. For FY 2013, the amount of unreported operations arising from this category equalled 0.5% of total CG expenditure (see Table 7b and Annex 3).

In summary, the amount of unreported CG operations in FY 2013 that could be quantified by the Assessment is 2.25% of total CG expenditure. The Assessment has also qualitatively identified more potential sources of unreported government operations (stemming from the many more subvented agencies that could be identified and for which, given the large number, complete data could not be obtained), and from the Funds for which expenditure and own revenue data could not be obtained in full in the context of the mission. As a result, it estimates that total unreported CG operations in % of total CG expenditure is at least 2.25% for FY 2013, but is likely to be significantly more than the amount quantified.

Table 7b: Unreported CG operations for FY 2013, amount that could be quantified

Total unreported amount in % of CG expenditure for FY 2013	**2.25%**
Of which	
-arising from subvented agencies	1.65%
-arising from funds	0.11%
-arising from self-raised revenue in the Education sector	0.5%

ii) Income/expenditure information on donor-funded projects

Donor-funded project expenditure is significant: donor-funded project loans were 8% of total CG expenditure in FY 2013. In FY 2013, donor-funded project expenditure for loans was fully reported *ex-ante*, in the approved budget under the “Debt Service Budget Detailed Estimates of Expenditure”. In FY 2013, the statement was detailed by donor (bilateral and multilateral) and by project loan. The budget also includes estimates for receipts for grants for development projects and for donor-funded expenditure grants. On Page 87, the statement “Development Budget-Development Receipts”, lists estimates for grant receipts detailed by donor. On page 21, in the statement “Departmental Recurrent and Development Budget- Loans, Grants and GDF”, loans and grants are detailed by Ministry/budget agency, yet not by donor, and expenditure is reported for donor funded projects, for both loans and grants. Another table also provides “donor funding of projects” (page 91), in which the donor is specified. As the amounts of grant disbursements for FY 2013 could not be established with precision by the Assessment (ref. D-2, D-3), the Assessment cannot definitely determine how much of grants are covered by the budget in value. Meetings suggested it was above 50% but below 90%. In any case, meetings were conclusive as to less than 50% of expenditure financed by grants being reported in the accounts and not captured as expenditure, but as receipts. Thus, the coverage of grants in terms of value in the budget does not have an impact on the rating for the dimension.[31] In the 2010 Assessment, budget estimates were already found to cover donor-funded project income/expenditure and the coverage has improved since then.

Donor-funded project expenditure for loans is reported *ex-post* in the accounts, under “amortisation”. It is reported at aggregate level. The detail is provided between bilateral and multilateral donors, under Note 10b. Loans in the form of project-aid were fully captured in the FY 2013 accounts. Grants are not fully captured in the accounts, and the amounts that are captured have been estimated to be less than 50% in value of grants. Moreover, the grants that are captured are reported as receipts against which payments are made and not as expenditure. During the year, they are reported in a BTL account, and at year-end in the accounts as receipts under the “Consolidated Statement of Cash Receipts and Payments”. In FY 2013, receipts in the form of grants in the accounts were reported at GMD104.95million. These amounted to grants from bilateral donors. Grant receipts from multilateral donors were not captured and reported as zero. The reporting of donor-funded projects in the accounts has also improved since the 2010 Assessment.

[31] To count as “reported” expenditure needs to be “reported” both in the budget and in the accounts.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-7	Extent of unreported government operations	**D+**	**NR**	Scoring Method M1	**Overall improvement in performance due to improvement in dimension (ii).**
(i)	Level of unreported extra-budgetary expenditure	C	NR	Unreported CG operations that could be quantified amounted to 2.25% of total CG expenditure in FY 2013. Given the large number of additional subvented agencies the Assessment identified for which data on expenditure was not available; the amount is likely to be significantly higher. The subventions from the CG to agencies are reported.	**Performance change cannot be assessed.** The scores are not comparable as the basis on which the PA rated this dimension is uncertain. The PA only examined the subsidies to "public authorities" and whether these were included in the budget and the accounts (which they were). It provided the rating on the basis of the amount that *was reported* as percent of total CG expenditure (which was 8% and corresponded to the reported subsidies), rather than the unreported amount, which it did not assess or quantify.
(ii)	Income/expenditure information on donor-funded projects	D	C	Complete income/expenditure information for all loan financed projects is included in both the approved budget and the annual accounts. Grants are also captured in the approved budget, but by less than 50% of value in the accounts, and as receipts rather than expenditure.	**Improvement in performance.** In the period covered by the 2010 Assessment, 25% (value) of donor-funded project expenditure (through loans and grants) was reported in the accounts.

Ongoing reforms

IFMIS will be rolled out to cover donor-funded projects, for loans and grants. The full roll-out to donor projects is planned for 2016, with 2 to 3 projects now being piloted.

3.2.4 PI-8 Transparency of inter-governmental fiscal relations

The indicator evaluates the transparency and accountability of the funds that were transferred from CG to Sub-National Governments (SNGs) during the last completed FY (FY 2013). It also assesses the predictability of the CG transfers during the last completed budget preparation process (FY 2014 budget).

The legal framework defining the fiscal relations between CG and local government includes notably: The Constitution, the Local Government Act (2002) and Local Government Finance and Audit Act (2004). There are in The Gambia eight area councils: Banjul City Council; Kanifing Municipal Council; Brikama Area Council (AC); Mansakonko; Janjangbureh; Kuntaur; Kerewan; and Basse Area councils. The area councils are administered by the Governor of the Region who represents the CG.

(i) Transparency and objectivity in the horizontal allocation among SNGs

In FY 2013, the resources transferred represented around 13% of the total government expenditure (Table 3.8). It can be noted that over the period assessed the overall amounts budgeted and transferred to LGs have increased each year: more than 11% in FY 2013 over the previous year, but also as share of the total CG total expenditure (from 11% in FY 2011 to 13 % at end 2013).

Table 3.8: Central Government Transfers to SNG: FYs 2011-2013 *(in thousands of GMD)*

Year	Actual	Budget	Variation over previous year	Share of total Expenditure
2011	*593,809*	*549,248*	*+8.1%*	*11%*
2012	*602,843*	*558,491*	*+7.9 %*	*10%*
2013	*1,011,592*	*908,702*	*+11.3 %*	*13%*

Source: MOFEA/DNT "Statement of Revenue and expenditure" FYs 2011, 2012, 2013.

In principle, local government own revenues are derived from different sources: property tax, trade business licence, market fees, etc. Based on the figures provided by the Ministry, the total of own revenues collected in 2013 by the Local Councils (LCs) amounted to GMD 389,598,729 (i.e. less than one third of the amounts transferred by the CG in favour of LGs).

Upon President's proposal submitted to the National Assembly, transfers are made to the Consolidated Fund of the Councils for each FY. According to the current legislation there are three types of grants: a general (unconditional) grant; a grant in aid; and an equalisation grant. The general grant shall not exceed 10 % of the capital budget of the area council (i.e. it is the minimum grant paid to a Council to operate its decentralized services). The grant in aid is conditional and consists of specific funds given to a Council to finance projects agreed between the CG and the LG and it is expended only for the purposes for which it is made. The equalisation grant is made to make things equal for each LC. It is notably based upon the degree to which the LG is lagging behind the national average standards in the provision of social services. *The Local Government Finance and Audit Act, 2004 (LGFA*) requires that a council shall allocate at least 60% of its budget for development activities excluding the recurrent costs of those activities. The remaining 40% of revenue shall fund recurrent costs which include: (i) emoluments and salaries of the staff of the council; (ii)the operation of wards and village development committees; and (iii) all allowances for any services rendered to Councils as may be determined by the Minister.

Based on the law, horizontal allocation of these funds is determined by transparent and rules-based systems. *The LGFA (2004)* describes the the formulae for the distribution of the grants by CG to the LC councils. The formulae take into account the following criteria: a) access levels: health care, education, water and sanitation, utilities & infrastructure (roads) b) resource base potential (commerce and tourism); c) health indicators; d) education indicators; empowerment indicators; e) population indicators; f) environment indicators. According to the law, horizontal allocation of these funds is determined by transparent and rules-based systems. Nevertheless, no data or details were provided to the team on the percentage (or an approximation) of grants determined by transparent rules.

(ii)Timeliness of reliable information to sub-national governments on their allocations

Each LC starts preparing its preliminary budget planning process to determine the percentage of financial resources required to implement their prioritised development projects usually by end of December. The form and content of the budget should reflect all revenues to be collected or received and to be appropriated for each year, and take into account the approved three-year development plan and the agreed priorities. On this basis, LCs prepare and submit estimates to the Ministry of Land and Regional Government. Subsequently, the Ministry checks whether or not the set proportion of 60% for development and 40% for recurrent expenditure is captured in the estimates; they also assess the policy implications of the submitted budget, keeping in mind the national priorities. Comments of the Ministry are incorporated in the revised version. The timeline is to ensure that the budgetary needs of the Councils are factored in the CG budget. In practice, there are delays in the preparation of Council's budgets.

At present, the timing for the transmission of the CG estimates for the transfers to LG cannot be established and apparently substantial delays may occur. There is no clear/fixed rule for the timing for the notification of the actual transfers from the CG to the LGs. In general, notifications are made rather late thus not allowing for substantial ex-post modifications (and in practice based on the actual cash position at the Treasury). Reliable information on annual allocations is not available to the LCs at the start of the financial year. There is still a need for the CG to provide precise and predictable timing for the actual transfers of the three types of resources.

(iii)Extent of consolidation of fiscal data for general government according to sectoral categories

According to the law, each LC should send to the Ministry their Annual Financial Statements and the Auditor's Report, as provided by the Financial Manual, before the 1 June of the next year (however, in practice it may take longer, although no precise information was provided). The Ministry scrutinizes the reports, which are subsequently submitted to the PAC of the National Assembly. Nevertheless, the LCs individual annual fiscal and activity reports are not consolidated by the Ministry. The statements are audited both internally and externally by the Internal Audit of the LC and the NAO. Fiscal information is captured in the fiscal report to be submitted to the CG. The Ministry checks whether or not the actual expenditure made corresponds to the planned activities and the existence of any unauthorised expenditure. The Ministry monitors the expenditure execution patterns and trends in terms of planned/actual expenses.

LG's classification of fiscal data is inconsistent with CG classification. Financial reporting is cash based, but still limited to the production of a monthly trial balance and a closing cash balance. The Councils do not prepare a full set of financial statements (i.e. a Balance Sheet and an Income Statement). It was explained by the Ministry that the quality and consistency of reporting varies between the Councils and depends on the level of transfers/funding and the competence and ability of the LC's finance and administration officers to work in a computerised environment.

In conclusion, the fiscal information supplied by the LCs is not yet consistent with central government fiscal reporting. The individual reports include almost all expenditure made by LCs but they are not consolidated into an annual report by the Ministry.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-8	Transparency of inter-governmental fiscal relations	**D**	**D**	**Scoring Method M2**	**Scores are comparable. No change in performance.**
(i)	Transparent and objectivity in the horizontal allocation among SN government	D	D	The horizontal allocation of the Government transfers to the LCs is determined by law and clear and transparent formulae are used. No reliable figures about the % of transfers determined by transparent rules.	**Scores are comparable.** No tangible change in performance since the PA.
(ii)	Timeliness of reliable information to SN government on their allocations	D	D	LCs cannot anticipate the funds they will receive from Government transfers. Typically they do not receive confirmation of the global allocation from CG in due time to revise and present their budget for approval.	**Scores are comparable.** No tangible change in performance since the PA.
(iii)	Extent of consolidation of fiscal data for government according to sectoral categories	D	D	Fiscal information supplied by the LCs is not yet consistent with central government fiscal reporting. Individual reports include almost all expenditure made by LCs, but they are not consolidated into an annual report by the Ministry.	**The 2010 and 2014 scores are comparable.** No tangible change in performance since the PA.

Ongoing reforms

The Ministry intends to continue capacity building exercises including training of LGs staff on accounting, budgeting and reporting, computerised systems. In addition MOFEA has lately included representatives of LGs in the budget preparation discussions at central level. Within the reform programme there are also plans to roll out the IFMIS at local council level, but there are number of serious challenges (power supply, level of available skilled staff, financial resources allocated, etc.) that will need to be addressed as a priority.

3.2.5 PI-9 Oversight of aggregate fiscal risk from other public sector entities

This indicator examines the extent to which the central government monitors the fiscal positions of AGAs, PEs and sub-national governments (SNGs). The indicator is to be assessed over the last completed FY: FY 2013 in the case of this Assessment. The FY for PEs, AGAs and LCs in The Gambia is aligned with that of the CG budget and runs from January 1 to December 31st.

(i) Extent of central government monitoring of AGAs and PEs

PEs in The Gambia are regulated by the Companies Act 1955, revised in 2013. AGAs are classified under the wider definition of "subvented agencies" (ref. PI-7 (i)). The NAO outsources the audit of PEs to private auditors approved by the NAO (ref. PI-26) and receives a copy of the audited statements at the end of the audit.[32] The audited accounts of PEs are also presented to the Public Enterprise Committee of the National Assembly. As per the Constitution,[33] both PEs and AGAs are to submit the audited financial statements to the PAC/PEC. At the time of the mission, the FY 2012 audited statements of PEs and many AGAs had been reviewed, and the review on these was more updated than that of the audit of CG accounts.[34] The most exhaustive published list of PEs/AGAs is included in PAC/PEC reports. That said, PAC/PEC Reports lists PEs/AGAs together, which does not allow to precisely classify the PEs separately from AGAs for the purposes of the PEFA PI-9 (i) categorisation. According to the latest PAC/PEC report,[35] the joint number of existing PEs and AGAs is approximately 55.[36] Of these, the MoFEA units/directorates overseeing PEs considers that 12 are PEs, and the Assessment that 13 are. As referred to in PI-7 (i), the Assessment has identified another 22 subvented agencies. This would leave 42 AGAs on the basis of the PAC/PEC report and 64 on the basis of the additional data on DNT transfers (ref. Annex 4).

At the CG level, the monitoring function of PEs (though not AGAs) is undertaken by the PFM Reform Unit, MoFEA. The DNT also receives the audit reports of the PEs in its list and, only quite partially, of AGAs. The consolidated government financial statements in fact include a "statement of net-worth of State-Owned Enterprises" as at the end of the FY. The statement is based on the audited reports of the PEs. For FY 2013, the MoFEA (PFM Reforms Unit and DNT) had received the up to date audit reports of over half the PEs in its list. As shown in Table 1, Annex 4, of the 12 PEs *in the MoFEA list*,[37] the MoFEA had received audited accounts for FY 2013 for 7 of them, for FY 2012 for 4, and for FY 2011 for one. Though the audit reports received for FY 2013 include those of major PEs, a large PE, NAWEC, tends to submit annual reports with a delay, even according to DNT (only the FY 2012 audit report and accounts were in fact available for NAWEC). The company is also non-performing so that it poses a higher fiscal risk.[38]

[32] That said, there is a slight delay in the submission of the audited accounts of PEs to NAO as at the time of the mission the NAO had received the FY 2012 audited statements for most PEs but not yet the FY 2013 ones.

[33] Sections 102,109, 110 and 175.

[34] The latest completed PAC/PEC hearing at the time of the mission was that of October 17th 2013-February 27th 2014.

[35] The one on the October 17th 2013-February 27th 2014 session.

[36] The figure is approximate as PAC/PEC reports also list budget agencies, which the Assessment has not counted. Some of the audits reviewed by PAC/PEC list management issues, and not expenditure of AGAs, so that the remaining AGA expenditure for FY 2013 eventually not communicated by NAO to the Assessment Team could not be assessed from that list. The GPPA , that the Assessment met in the context of the Assessment, shared information on their expenditure, so this could be established.

[37] Some of the entities (such as Gambia Civil Aviation Authority and Gambia Ports Authority) listed by MoFEA as PEs could be AGAs; vice versa , Gambia Printing and Publishing Corporation (GPPC), Gambia Ferry Services Management Company, Independence Stadium and Friendship Hotel , not listed under PEs by MoFEA probably are (see Annex 3, Tables 1 and 2). The GRA is reported as a PE in the statement of net worth of PEs in the consolidated accounts, but it is an AGA/subvented agency according to meetings and available data collected by the Assessment.

[38] NAWEC arrears were also estimated as 30 million GMD in the annual financial statements of FY 2013.

Another (smaller) PE with negative net worth, Gambia Groundnut Corporation, is submitting late. For the most part, the DNT receives audited accounts for PEs rather than unaudited accounts, except for a few cases in which PEs submit draft accounts for the purpose of the formulation of the "statement of net-worth of State-Owned Enterprises" until the audit reports are ready.[39] There are also two other AGAs besides the GRA under the MoFEA PE list which could be being misclassified as PEs (e.g. Civil Aviation Authority and Gambia Ports Authority), and potentially an additional three public entities in the PAC/PEC list that could be PEs and are currently not in the MoFEA PE list (Table 1, Annex 3).[40] As a result, the Assessment estimates there are 13 PEs in total and an additional 3 PEs that are not in the MoFEA PE list and that the MoFEA is not monitoring.

For AGAs, the monitoring at MoFEA is less complete and up to date, though the NAO had audited the FY 2013 accounts of 12 of the AGAs (Annex 4, Table 2). The PFM Reform Unit in fact only monitors fiscal risk arising from PEs and the DNT mostly collects reports for PEs as the statement of net worth in the accounts is for PEs. Of the public entities currently considered as AGAs by the section in DNT that receives their accounts, the DNT had received the audited accounts of 3 for FY 2013 and of another 3 for FY 2012. The 3 AGAs for which the DNT had received audited accounts for FY 2013, are the second, sixth and seventh largest, on the basis of available information on AGAs' expenditure. Meetings have suggested that the GRA is also an AGA currently classified as a PE, and the Assessment considers that the Civil Aviation Authority and Gambia Ports Authority could also be, in which case the DNT has received the FY 2013 audited accounts of 6 out of the 42 AGAs listed in the PAC/PEC report and of only 6 out the 64 total estimated for FY 2013.[41] FY 2013 accounts (both audited and unaudited) for the National Roads Authority (NRA),[42] GPPA, Gambia Maritime Administration and Gambia Livestock Marketing Agency, had not been submitted to MoFEA. These are the first, third, fourth and fifth largest AGAs according to the available data on AGA expenditure (ref. Annex 4, Table 2). For the NRA, FY 2012 audited accounts had been received at the time of the mission, but not for the other three. For the remaining AGAs and subvented agencies identified by this Assessment, listed in Table 2, Annex 4, accounts or audit reports had also not been submitted to MoFEA. Given that the total expenditure for FY 2013 (or 2012) for AGAs is not known to the Assessment, or to MoFEA, the size of some could be large, the size of the ones monitored by MoFEA over the total AGA sector cannot be determined, and the overview that MoFEA has of AGAs is significantly incomplete. As some PEs are possibly currently misclassified as AGAs (as for the 3 identified by this Assessment), the overview that the MoFEA has of PEs may also be more incomplete than if assessed on the basis of the MoFEA list of PEs.

In general, the Assessment has identified 55 (as per the PAC/PEC Report) to 77 public entities (considering the additional information on subventions received from DNT) between PES and AGAs in total (Table 2, Annex 4). Of these, 18 are being monitored by MoFEA (counting 2013, 2012 and 2011 accounts) and the remaining are not. There is also room to consolidate and classify the information on AGAs and PEs currently available at MoFEA, NAO and PAC/PEC. No consolidated report on fiscal risk arising from AGAs and PEs is issued.

(iii) Extent of central government monitoring of SN governments' fiscal position

There are three levels of Sub National Government (SNG) in The Gambia: Local Councils, Chiefdoms and Alkalous. Councils are the most important level of SNG, and the only level that can generate fiscal liabilities for CG. Councils are eight in number and

[39] For instance, Gambia National Petroleum and Gambia International Airlines submitted draft accounts at the time of the preparation of the annual accounts but have now submitted audit reports.

[40] Gambia Printing and Publishing Corporation (GPPC), Gambia Ferry Services Management Company, Independence Stadium and Friendship Hotel.

[41] That said, if the Civil Aviation Authority and Gambia Ports Authority are counted under AGAs, there are less PEs of the total that the MoFEA is monitoring. Also, total expenditure for FY 2013 for these 3 AGAs was not available to rank them in size by expenditure. Net worth was made available for two of the three.

[42] Meetings with MoTWI in the context of this Assessment, indicate that the NRA is also an AGA, for which the Assessment mission received the FY 2013 audit report from the NRA directly.

have been listed under PI-8. The extent to which SNG can generate fiscal liabilities for CG is defined in the LGFAA, 2004. Section 14 (1) grants LCs the power to borrow and raise loans, provided they obtain prior approval of the Ministry of Lands and Regional Government. According to section 14 (2), Councils can also secure loans on their property. Councils can also borrow from banks in the form of overdrafts for a maximum of a third of their income in the previous financial year (section 15 (1) and (2)).

The monitoring function of SNG and of the net fiscal position of Councils is assured by the Ministry of Lands and Regional Government, Directorate of Local Governance. The Ministry's overview of the Councils' fiscal position is adequate and up to date. The Ministry receives the accounts of the LCs every year, soon after the end of the FY, and this was the case for the FY 2013 accounts. The audit of the accounts by the NAO is undertaken yearly or once every two years, in which case two years are covered together. At the time of the mission, the NAO had completed the audit of the FY 2013 accounts for all eight Councils, together with the audit of the 2012 accounts. The Ministry of Lands and Regional Government had received the audited accounts for FY 2013 and 2012. The Ministry also monitors the fiscal position of Councils during the year, through monitoring reports, and inspections. Monitoring reports and inspections take place on average twice a year and also cover issues such as arrears (including tax arrears), revenue collection and accounting, compliance with accounting procedures. As per the LGFAA, the LCs that wanted to borrow have had to submit a request to the Ministry. Also as per the Act, the Ministry ensures that the Councils do not borrow in the form of overdraft over a third of their income from the previous FY and that their loan requests are compatible with their income and cash flow. The request from Basse Area Council to borrow 800,000 GMD through a bank overdraft in FY 2013 was in fact not approved and the Ministry only approved the sum of 200,000 GMD. A consolidated report on the fiscal risk posed by LCs is not issued.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-9	Oversight of aggregate fiscal risk from other public sector entities	**D**	**D+**	Scoring Method M1	**Improvement in performance mostly due to improvement in performance for dimension (ii).**
(i)	Extent of central government monitoring of AGAs/PEs	D	D	Around half of PEs submit up to date annual audited accounts to MoFEA, but not all major ones. A minority of AGAs is submitting audited (and unaudited) accounts to MoFEA. No consolidated report on fiscal risk arising from AGAs/PEs is issued.	**Some improvement in performance as to the monitoring of PEs compared to the PA.** Improvement is not sufficient to impact the score. No change with respect to the consolidated report which was also not issued at the time of the PA. No other factors.
(ii)	Extent of central government monitoring of SN governments' fiscal position	D	C	The net fiscal position is monitored at least annually for the most important level of SNG but a overall consolidated fiscal risk report is not issued.	**Improvement in score and performance.** In the period assessed by the PA, the then Ministry of Local Government's (and thus CG's) overview of SNG was

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
					incomplete and not up to date, also as Councils were not issuing annual financial statements. Councils now issue and submit annual accounts to the Ministry of Lands and Regional Government. NAO audits the accounts, and the Ministry also receives audit reports. The Ministry also monitors the fiscal position of Councils during the year. No other factors.

Ongoing reforms

The PFM Reform Unit is envisaging the development of a consolidated report on fiscal risk arising from PEs.

3.2.6 PI-10 Public access to key fiscal information

This indicator evaluates whether the general public or, at least, the relevant interest groups, have access to key fiscal information according to six specific information elements. Transparency is dependent on whether key information on fiscal plans, positions and performance of CG is easily accessible and on whether the information accessible is up to date. The indicator is to be assessed over the last completed FY, i.e. FY 2013 for this Assessment.[43]

The PEFA Framework also considers that for information to be "easily" accessible, it should be provided through a variety of means: such as through the media (TV, radio and the press), websites, sale of major documents at no more than printing cost and notice boards for mainly locally relevant information. Each information element should be provided through more than only one of these means.

Table 10 outlines the six information elements, specifying how many are made available to the public as per the 2014 Assessment and how many were as per the 2010 Assessment. As for PI-6, in order to count in the assessment, the full specification of the information element must be met.

[43] Namely, whether the information was made available during FY 2013, although some of the periods may vary by information element.

Table 10. Public access to fiscal information

Elements of information for public access		2014 Assessment		2010 Assessment
		Availability Yes/No	**Means**	**Availability Yes/No**
1.	Annual budget documentation when it is submitted to the legislature	**Yes**	The National Assembly hearings are public. As a result, the hearing in which the budget is approved is accessible to the public. It is broadcasted live on the TV/radio and reported to the press the same or the following day. The Budget Speech by the Minister of Finance is also broadcasted by the TV and radio and reported by the press the following day, and is public as part of the NA hearing.[44] The Speech is available on the internet on the Office of the President's website.[45] The Budget Speech is available to the public at printing cost. Budget Estimates are provided for free to specific interest groups and NGOs (e.g. TANGO). They are less accessible to the larger public, available at printing cost (200 GMD) at MoFEA. The estimates and the speech are however not accessible on the MoFEA website.	**No (Partially available)**
2.	In-year budget execution reports within one month of their completion	**No**	In year reports are issued quarterly (ref. PI-24). They are however not available on the MoFEA website and they are not easily accessible through any other means. They are available upon request at MoFEA through the submission of an official letter. As for the year-end financial statements and partly the budget estimates, there is also lack of awareness of public access rights.	**No**
3.	Year-end financial statements within 6 months of completed audit	**No**	The last audited accounts were those relating to FY 2011. Although the PAC/PEC deliberations on the audited accounts are public and broadcasted on the radio/TV , and covered by the press, the hearings for the 2011 accounts were beginning in October 2014,	**No**

[44] See, for instance, the Daily Observer's article of 20 December 2013, on the Budget Speech delivered the previous day to the NA. The article also provides details of the speech and the 2014 Budget. Previous speeches (e.g. that of 2013) were covered by the press on the same day the speech was delivered.

[45] www.statehouse.gm.

Elements of information for public access		2014 Assessment		2010 Assessment
		Availability Yes/No	**Means**	**Availability Yes/No**
			thus after 6 months of completed audit. Moreover, although copies are available at printing cost at PAC/PEC and DNT, MoFEA, they are not easily accessible as they are only available upon request through an official letter. The annual accounts are not available on the MOFEA website.	
4.	All external audit reports on consolidated operations within 6 months of completed audit.	**No**	External audit reports up to 2010 are available at the Gambia National Library. Reports after 2010 are not. The NAO does not yet have a website. Besides the availability at the Public Library, reports and audit findings are not otherwise accessible.	**No**
5.	All contract awards (with value above approx. USD 100,000 equivalent) published at least quarterly	**No**	Contract award results are not made public (ref PI-19).	**No**
6.	Resources available to primary service delivery units (PSDUs) (such as elementary schools or primary health clinics) at least annually	**No**	Resources to primary service delivery units in the health sector are being tracked through the compilation of the National Health Accounts (ref. PI-23). As the results were still draft at the time of the mission, they were not publicly accessible. A study[46] to track resources to primary education units was undertaken in 2010 and a new one was just beginning at the time of the mission (ref.PI-23). The results of the 2010 survey are reported to have been made public on the Basic Education Ministry's website soon after publication.[47] In any case, resources actually reaching, and used by, PSUs are not made public on an annual basis for both health and education.	**No**

[46] *The Gambia Education Country Status Report*, 2010.
[47] www.edu.gambia.gm

Elements of information for public access	2014 Assessment		2010 Assessment
	Availability Yes/No	Means	Availability Yes/No
Total number of information elements made public/ Performance rating	1 out of 6 elements are accessible to the public. Rating "C".		Element No 1 was only partially available. The other 5 elements were not available. None of the 6 information elements was fully available. As a result, the PI was rated "D".

Even regarding information element No. 1, which is the only one assessed as met, although copies of the budget are available at the MoFEA, the public is not sufficiently aware of what information it can have access to, and of its rights in terms of access. This applies also to most of the other five information elements that in addition are not easily accessible or not accessible at all.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score Scoring Method M1	Performance change and other factors
PI-10	Public access to key fiscal information	**D**	**C**	The Government makes available to the public one of the six listed elements: information element No. 1, related to annual budget documentation.	Scores and performance have improved. From no element made fully available as per the 2010 Assessment, to one element made available. No other factors.

Ongoing reforms

The MoFEA BD has just finalised the first Citizen's Budget. The Citizen Budget for FY 2014 will be the first and it was finalised during the PEFA mission, although the modalities of its distribution were not yet delineated. The initiative should allow citizens to become more aware of their rights to access the Budget Estimates and better understand the budget.

3.3 Policy-based budgeting

3.3.1 PI-11 Orderliness and participation in the annual budget process

This indicator aims to assess whether the formulation process for the Budget is organised in such a way as to allow for an effective participation of the MDAs, including their political leadership represented by Cabinet. It also assesses the extent to which the annual budget preparation process supports the linking of the draft budget to public policy objectives.[48] Dimensions (i) and (ii) are assessed in relation to the preparation process

[48] The linkage will be greater if: (i) the greater the involvement of politicians (e.g. Cabinet) at the outset of the process in establishing spending priorities and on deciding the allocation of projected

followed for the last approved budget, i.e. the FY 2014 Budget in the case of this Assessment. The third dimension is assessed for the last three FYs/ last three approved budgets: i.e. the FY 2012, 2013, 2014 Budgets for this Assessment.

(i) Existence of and adherence to a fixed budget calendar

The budget calendar is circulated to MDAs in the Budget Call Circular (BCC). The calendar is clear and is generally adhered to. In FY 2013, for the preparation of the FY 2014 Budget, the calendar outlined in the BCC was respected both as to the process outlined and for the most part its timing. It is outlined in Table 11a. The calendar allows MDAs reasonable time (one month) to complete their submissions. The line Ministries consulted during the Assessment mission (Ministry of Agriculture, MoBSE, MoHSW, MoTWI) confirmed that the time granted was sufficient to formulate adequate submissions. The submissions examined by the Assessment were complete and included detailed estimates.[49] Some Ministries submitted their proposals with a little delay,[50] but delays were minor (around 2 weeks) and most MDAs complete their submissions in time.

Table 11a. Budget Preparation and Approval Calendar for the FY 2014 Budget

	FY 2013
BFP with ceilings by MDA approved by Cabinet	July 1
BCC issued by MoFEA	July 8
Budget Consultative Workshop	July 17
Deadline for the submission of MDA Budget Proposals to both MoFEA and PMO	August 8
Bilateral Consultations	August 12-September 3
Draft Budget submitted to Cabinet	October 30
Draft Budget submitted to Parliament	November 20

Sources: BCC 2014-2016, meetings with BD, MoFEA and Budget and Planning Units of line Ministries (Ministry of Agriculture, Ministry of Basic and Secondary Education, MoHSW, MoTWI).

(ii) Clarity/comprehensiveness of and political involvement in the guidance on the preparation of budget submissions

The BCC is detailed and clear and provides adequate guidance to MDAs for the preparation of budget submissions. Since FY 2012 (since the preparation of the FY 2013 budget), coinciding with the introduction of the BFP, the BCC includes multi-year ceilings (for the budget year and two outer years). Since the preparation of the FY 2012 Budget, the ceilings in the BCC are also approved by Cabinet before the circular is distributed to MDAs. The BFP, which contains the same ceilings as those in the BCC[51], detailed by MDA and for three years, is sent to Cabinet for approval ahead of the BCC's issuance. For the latest completed budget preparation cycle, the BFP was approved by Cabinet on July 1, 2013 and the BCC was circulated on July 8, 2013. The only shortcoming found as to the guidance provided in the BCC is that ceilings in the BCC do not include the expenditure for Personal Emoluments, which is negotiated between the MDAs and the PMO. (The BFP ceilings sent to Cabinet do however). That said, the PMO sends a separate circular to MDAs with ceilings for Personal Emoluments expenditure, just after the MoFEA's BCC is sent out. MDAs thus receive the guidance on ceilings for Personal Emoluments in time to submit their budget proposals.

---

financial resources between MDAs; (ii) the more time that MDAs have to prepare their budgets, based on the allocations (ceilings) provided to them.

[49] MoHSW and Ministry of Basic and Higher Education.

[50] The MoSHW for instance, submitted on August 21, 2014 rather than on the deadline date of August 8, 2014.

[51] Except for the inclusion of PE expenditure in the BFP envelopes for recurrent expenditure.

(iv) Timely budget approval by the legislature or similarly mandated body

The Constitution, Article 152, requires the Secretary of State responsible for finance (Minister of Finance) : “to prepare and lay before the National Assembly, at least thirty days before the end of the financial year, estimates of the revenue and expenditure of The Gambia for the following financial year” (Constitution, Article 152(1)). Further, it stipulates that the “National Assembly is required to give consideration to and approve the estimates within 14 days of the estimates being laid before it. The National Assembly shall, within 7 days of the introduction of the Appropriation Bill, give consideration to and pass the Bill.” (Constitution, Article 152(1)). The GBMAA, section 22, also requires the Budget to be laid before the NA 30 days before the FY end.

The legal framework thus requires for the Budget to be approved before the end of the FY. This statutory requirement has been met for the past three Budgets and related Appropriation Bills, as shown in Table 11 b. The Constitutional requirement to present the Draft Budget to the NA at least 30 days before the end of the FY has also been met for all past three budgets. For all three Budgets, the Budget Estimates and the related Appropriation Bills were approved before the end of the FY.

Table 11b: Timeliness of approval of Appropriation Bill by the NA

Budget year	Date of Submission of the Budget by MoFEA to the NA	Date of approval of the Appropriation Bill by the NA
FY 2014	November 20, 2013	December 19, 2013[52]
FY 2013	November 26, 2012	December 14, 2012
FY 2012	November 21, 2011	December 16, 2011

Source: Approved Budget Estimates of Revenue and Expenditure for FYs 2012, 2013, 2014 and Budget Speeches for the FY 2012, 2013 and 2014 Budgets.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-11	Orderliness and participation in the annual budget process	**B**	**A**	Scoring Method M2	**Improvement in performance due to improvement in dimension (ii), given increased political involvement in the setting of budget allocations.**
(i)	Existence of and adherence to a fixed budget calendar	B	B	A clear annual budget calendar is distributed in the BCC. It is for the most part respected and allows MDAs reasonable time (one month) to meaningfully complete detailed estimates largely on time.	**No change in scores. The direction of performance change is unclear.** The basis for scoring the dimension by the 2010 Assessment appears uncertain. On the one hand, the time allowed to

[52] The FY 2014 detailed *Estimates of Revenue and Expenditure* were approved on December 10, 2013 (ref. PI-27). The precise dates for the approval of the detailed estimates for FY 2013 and FY 2012 could not be obtained, but they were approved well before the end of the FY and around a week before the approval of the Appropriation Bill.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
					submit budget proposals was assessed as two months; on the other, MDAs' submissions were assessed as inadequate. The calendar for the preparation of the 2008 Budget was also clear and for the most part respected.
(ii)	Guidance on the Preparation of budget submissions	C	A	A comprehensive and clear BCC is issued to MDAs which reflects ceilings approved by Cabinet prior to the BCC's distribution to MDAs.	**Improvement in performance.** For the preparation of the FY 2008 Budget, the ceilings included in the BCC were approved by Cabinet after MDAs had completed their budget submissions. Now, the ceilings distributed to MDAs via the BCC have already been approved by Cabinet via the BFP. No other factors.
(iii)	Timely budget approval by the legislature	A	A	For all the past three FYs, the NA has approved the Budget before the start of the next FY.	**No change in score or performance. No other factors.** In the period assessed by the 2010 Assessment (the approval of the FY2008, FY 2007 and FY 2006 Budgets in FYs 2005-2007), the NA had also approved all three Budgets before the start of the new FY.

3.3.2 PI-12 Multi-year perspective in fiscal planning, expenditure policy and budgeting

This indicator refers to the budgetary central government and assesses four dimensions related to: (i) multi-year fiscal forecasts, (ii) debt sustainability analysis, (iii) existence of multi-year costed sector strategies, and (iv)linkages between investment budgets and forward expenditure estimates. The time period for which each dimension is to be assessed varies and is specified under the dimension headings.

(i) Preparation of multi -year fiscal forecasts and functional allocation

This dimension is to be assessed for the last two completed FYs: FYs 2012 and 2013 for this Assessment. The formulation of multi-year forecasts at the overall level has been introduced in 2011, with the first BFP.[53] The overall multi-year forecasts are presented in the BFP. Over the period assessed, one BFP was issued in FY 2012 for 2013-2015 and one in FY 2013 for FY 2014-2016. The 2012 and 2013 BFPs include forecasts for the budget year and two outer years so that multi-year forecasts are formulated every year for three years. Since FY 2012 (for the preparation of the FY 2013 budget) the BCCs are also multi-year (ref. PI-11), linking the annual budget process and the multi-year planning process preparation. The BFPs for 2013-2015 and 2014-2016 include three-year projections for overall expenditure and revenue. Revenue forecasts are detailed by tax/non-tax. The three-year expenditure forecasts are detailed by the main categories of economic classification and by administrative category.[54] Forecasts are however not developed by function/sector in the MTEF, in the BFP (or the corresponding BCC). Sector projections are only provided for three of the PAGE target sectors (Health, Education, Agriculture & Natural Resources).

(ii) Scope and frequency of debt sustainability analysis

This dimension covers the last three years before this Assessment, i.e. the period mid-September/mid-November 2011, to mid-September/mid-November 2014. A Debt Sustainability Analysis (DSA) for both external and domestic debt has been undertaken four times during the past three years and annually. Between October 2011 to October 2012, two DSAs were undertaken.

1. One DSA was conducted by IMF and World Bank staff in October 2011 in conjunction with IMF Article IV Consultations.
2. A second DSA was conducted in February 22-March 6, 2012 by IMF staff in conjunction with the IMF's mission to negotiate a new ECF arrangement.
3. A third DSA was conducted by the IMF and World Bank staff in April 2013 in conjunction with the IMF's *First Review under the ECF Facility.*

All three DSAs above were undertaken in collaboration with the Gambian authorities and with data provided by the DLMD.

4. A fourth DSA was being finalized at the time of the Assessment mission. The exercise, undertaken by the Gambian authorities in September/October 2014, is led by the DLDM in collaboration with all MoFEA directorates and the CBG, GBOS and GRA. It covers both internal and external debt.

(iii) Existence of sector strategies with multi-year costing of recurrent and investment expenditure

This dimension is to be assessed over the last completed FY: FY 2013 in the case of this Assessment.

Policy priorities at the overall level are defined in the PAGE. The PAGE pillars are: 1) accelerating and sustaining economic growth; 2) improving and modernizing infrastructure; 3) strengthening human capital stock to enhance employment opportunities, 4) improving government and fighting corruption; 5) reinforcing social cohesion and cross-cutting interventions. The sectors under the pillars are:

1. Pillar 1: fisheries, agriculture, forestry, tourism, trade.

[53] The Reform to implement the MTEF at the overall and sector level started in 2010.
[54] In the BFP issued in FY 2013 for 2014-2016, the expenditure forecasts detailed by economic category were not printed. That said, the team checked the MTEF (excel version) done in FY 2013 and the forecasts broken down by economic category were developed in FY 2013 also. In FYs 2012 and 2014 they were both developed and included in the printed BFPs.

2. Pillar 2: energy, information communication infrastructure, and MoWCI (now MoTWI).
3. Pillar 3: health, basic and secondary education, higher education, water and sanitation.
4. Pillar 4: civil service reform, public procurement, PFM, decentralization.
5. Pillar 5: cross-cutting areas including gender and HIV/AIDS.

In FY 2013, the following Ministries had multi-year sector strategies: Ministry of Agriculture; MoFEA; Ministry of Trade, Regional Integration and Employment (MoTIE); Ministry of Fisheries; Ministries of Basic, Secondary and Higher Education (the strategy combines both Education Ministries); MoTWI. Most of them correspond to PAGE priority sectors. In FY 2013, the MoHSW relied on a strategy for attaining the MDGs, but had not yet developed a costed strategy covering the whole sector or all the Ministry's activities.

The MoFEA strategy covers 2013-2015 and is fully costed. The strategy for the Education sector covers 2014-2017 (but was finalized in August 2013) and is also fully costed. The strategies for Agriculture, MoTIE, MoTWI and Fisheries are also fully costed.[55] The Agriculture and Fisheries sector strategies are however outdated as they cover 2011-2015 and 2009-2013 respectively. They thus do not reflect PAGE priorities, as they were developed before the PAGE was, but the policy statements under the Poverty Reduction Strategy Paper II (the previous National Development Plan). Moreover, for these two Ministries, the sector strategies, as outdated, are not consistent with the fiscal forecasts in the BFP. For MoFEA, the education sector, MoTIE, and MoWCI -which combined represented 31% of primary expenditure in FY 2013- the sector or Ministry statements are broadly consistent with the BFP's envelopes by budget entity and overall fiscal forecasts. Table 12 details the coverage of primary expenditure of sectors/Ministries with costed strategies for FY 2013.

Table 12: Sectors/Ministries with fully costed sector strategies in FY 2013, and their coverage in terms of primary expenditure

	FY 2013	
	Actual primary expenditure in GMD	Actual primary expenditure in percent of total primary expenditure
Min. of Basic & Secondary Education	808,576,184	14%
Min. of Higher Education	82,365,910	1%
MoFEA	615,114,166	11%
MoWCI (now MoTWI)	214,814,976	4%
Ministry of Agriculture	150,170,201	3%
Min. of Fisheries & Water Resources	65,537,615	1%
Ministry of Trade, Regional Integration and Employment	**58,298,990**	**1%**
Total primary expenditure covered by fully costed sector strategies	1,994,878,042	35%

55 Though the strategies for MoTWI and Education are "draft" as per the titles (see "List of documents consulted" in Annex 4), meetings indicated that they have been issued as per their draft version shared with the Assessment Team, that they were operational in FY 2013, formed the basis to answer the BCC and as input to the BFP.

	FY 2013	
	Actual primary expenditure in GMD	**Actual primary expenditure in percent of total primary expenditure**
Total primary expenditure covered by updated fully costed sector strategies in line with PAGE and broadly consistent with fiscal forecasts	1,720,871,236	**31%**
Total primary expenditure (ref. PI-1 and 2)	5,646,297,106	

Sources: IFMIS, Consolidated Government Financial Statements for FY 2013 (draft accounts/unaudited) and Assessment Team calculations.

(iv) Linkages between investment budgets and forward expenditure estimates

This dimension is to be assessed over the last completed FY: FY 2013 in the case of this Assessment.

Investment decisions are for the most part selected in line with PAGE objectives and overall policy priorities, but, in FY 2013, were linked to sector strategies only for the sectors/Ministries that had operational multi-year costed strategies (amounting to at most 35% of primary expenditure, see Table 12 above). To aid the implementation of the MTEF reform, the DDP has assigned planners to Ministries to promote the selection of investments in line with PAGE targets for those sectors that have not yet developed strategies or costed plans, and the development of sector strategies more generally. For the sectors that had sector costed strategies in FY 2013, investments were selected in line with the strategies and recurrent cost implications of investments were formulated. These were submitted to the BD in the responses to the BCC, including for the Education sector. The recurrent cost implications could thus be considered in the overall fiscal forecasts. For Health, the investment decisions in FY 2013 were selected in line with PAGE targets and with the strategy developed to attain the MDGs. The recurrent cost implications of investments were fairly assessed for the Health sector and included to the same extent in the overall forward estimates for FY 2013. The selection of investment decisions in line with sector strategies has improved in FY 2014 (see *Ongoing reforms),* as more sectors developed costed statements. This has allowed more sectors, including Health, to more fully account for the recurrent cost implications of investments decisions and integrate these in forward estimates at both the sector level and at the overall level in the BFP. Nonetheless, the fact that information on project-program aid financed by donors is not yet fully captured for grants, poses some limitations to the extent to which recurrent cost implications of investments can be fully included in overall forward budget estimates.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-12	Multi-year perspective in fiscal planning, expenditure policy and budgeting	**D+**	**B▲**	Scoring Method M2	**Overall performance has improved due to improvement in performance for all four dimensions.**
(i)	Multi-year fiscal forecast and functional allocations	D	C	Multi-year forecasts are developed for revenue and expenditure on a rolling basis for	**Improvement in score and performance.** In the period assessed by the 2010

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
				three years. They are presented in the BFP (and in the BCC). Expenditure forecasts are detailed by administrative and economic category but not by sector/function.	Assessment, no multi-year projections were developed. Three-year projections for fiscal aggregates are now developed with expenditure detailed by administrative and economic category.
(ii)	Scope and frequency of debt sustainability analysis	C	A	A DSA covering internal and external debt has been undertaken annually in the past three years.	**Improvement in scores and performance**. In the three years covered by the PA, only one DSA for internal and external debt had been undertaken (in 2007). In the three years reviewed by this Assessment, a DSA covering both internal and external debt has been undertaken annually. That said, performance has improved by less than the improvement in scores would indicate. Though one DSA covering both internal and external debt had been undertaken in 2007 (as also indicated by the PA), the PA under-rated the dimension as "C".
(iii)	Existence of costed sector strategies	C	B	Statements of sector strategies exist for 25-75% of total primary expenditure and are broadly consistent with fiscal forecasts.	**Improvement in performance and by more than suggested by the change in score from "C" to "B".** In FY 2007, according to the PA, statements of sector strategies had been developed only for Health and Agriculture and were not fully costed. Moreover,

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
					as underlined by the PA itself, "aggregate fiscal forecasts [did] not exist to ensure consistency" (CFAA 2010, page 61). The PA thus overrated the dimension.
(iv)	Linkages between investment budgets and forward expenditure estimates	C	C▲	Investments are selected on the basis of sector strategies for sectors representing less than half of primary expenditure. Recurrent cost implications are not systematically included in overall forward budget estimates.	**Improvement in performance and by more than just the upward arrow.** The PA over-rated dimension (iv) as, according to the PA, recurrent cost implications were not being estimated in FY 2007 even for the main investments. As a BFP was not developed in FY 2007, there were also no forward estimates in which the recurrent cost implications could be included at the overall level. A system to link sector investment budgets to forward budget estimates was not in place. A system has now been established to link the two, through the multi-year BCC and the BFP.

Ongoing reforms

More sectors have developed strategies in FY 2014. The MoHSW was finalising its 2015-2020 strategy at the time of the mission. The draft of the Health Strategic Plan was shared with the Assessment Team and already corresponded to a fully costed strategy for both recurrent and investment expenditure. In FY 2013, actual primary expenditure for the MoHSW alone was 10% of total primary expenditure. The DDP informed the mission that the Ministry of Youth and Sports, the Ministry of Information & Communication Infrastructure and the Ministry of Justice had also developed costed sector plans in FY 2014. The actual expenditure of the Ministry of Justice and that of Youth and Sports in FY 2013 was another 2% of total primary expenditure. Several other Ministries were in the process of drafting strategic plans at the time of the mission, as part of the MTEF implementation (Ministry of Petroleum, Ministry of Tourism and Culture, Ministry of Energy, Ministry of Interior, Ministry of Lands & Regional Government). The Ministry of Agriculture is also due to update its sector plan and develop a related MTEF, an activity initially planned for FY 2013, then moved to FY 2014. As the MTEF reform proceeds and more sectors develop costed multi-year statements, statements of sector strategies will represent an increasing share of total primary expenditure. That said, an upward arrow was not attributed to the dimension (iii) score, as even counting the sector strategies developed in FY 2014 and those in draft, less than 75% of primary expenditure is covered. For dimension (iii), ongoing progress is already reflected in the B score range.

In FY 2014, the selection of investments in line with sector strategies has increased, thanks to the implementation of more sector strategies, including for MoHSW, and several other Ministries having drafts for sector plans in progress. This improvement has also increased the link between investment and recurrent budgets, and the extent to which present investments are included in forward estimates of recurrent expenditure.

3.4 Predictability and control in budget execution

3.4.1 PI-13 Transparency of taxpayer obligations and liabilities

This indicator assesses the level of clarity and comprehensiveness of major tax legislation and regulations; access of taxpayers to this information; and the existence and functioning of the tax appeals mechanism at the time of the assessment (mid-September/mid-November 2014).

During the last three years two types of taxes (domestic taxes and customs duties) made up around 50 % of total domestic revenue, i.e. excluding loans and grants, while the non-tax revenues represented only approximately 4 % of the total.

(i) Clarity and comprehensiveness of tax liabilities

The Income and Value Added Tax Act was elaborated quite recently to revise and simplify previous legislation; it was adopted by the National Assembly in 2012, while the Customs and Excise Act was passed in 2010. The current legislation is quite clear and comprehensive for all areas. The tax legislation does not include special provisions on ordinary administrative discretionary powers for the assessment of tax liabilities. Nevertheless, the legislation at Part iii, sub-part ii-Exempt income, describes cases in which the revenue is exempt of taxes (Sections 20-33), while Section 33 refers to the power of the President to exempt from payment of taxes. In practice however, the situation in terms of discretionary powers might be slightly different due to the lack of comprehensive and accurate data on active taxpayers/tax liabilities, amount of arrears, etc. Legislation on customs and excise is clear and comprehensive, leaving relatively little room for discretionary administrative decisions.

Representatives of the private sector considered that both laws are good and clear. They think it is premature to voice an opinion about the application of new Income Tax and VAT Act. They noted that clarifications about the application of the law are still needed.

(ii) Taxpayer access to information on tax liabilities and administrative procedures

Leaflets and brochures, regular radio or TV programs, specialized seminars and Frequently Asked Questions (FAQ) sessions are used to allow taxpayers access to information on tax liabilities and administrative procedures. Nevertheless the GRA web site is not yet functional. Dissemination of information, education and training concentrate on topics such domestic taxes-tax payments, calendar for payments, due dates for filling and other administrative procedures. Tax education campaigns are conducted both in Banjul and outside the capital, both in local languages and English. A special education programme The taxpayer education programme, funded by UNDP, is ongoing. Awareness campaigns were provided to taxpayers on VAT (i.e. how it works, advantages over the previous General Sales Tax (GST), thresholds, requirements, etc.). Despite these efforts, apparently in practice there is still limited understanding of the VAT concept, even after an intense public relations campaign, where radio, print media, billboards; television programs were utilized to convey the message. A special unit (“Help Desk”) was recently established at GRA Domestic Tax Department HQ in Banjul to provide the public with key information on their tax liabilities and administrative procedures.

Taxpayers have access to certain tax information and administrative procedures. Tax liabilities are estimated by the taxpayers (since 2012 the GRA applies the self-assessment as required by the law). The Tax authority carries taxpayer education and dissemination campaigns on a regular basis.

(iii) Existence and functioning of a tax appeals mechanism

The tax appeals mechanism is labelled in the *Income and Value Added Tax Act (2012*) at Chapter viii, part ii, The Tax Tribunal (Sections 256-260). More specifically, Section 257 includes provisions on the nomination of the members: the President of the tribunal shall be a judge of the High Court, appointed by Chief Justice. The other members shall be appointed by the Minister of Finance. Other provisions concern the modalities for application for review of a reviewable decision (Section 258); Decisions of the tax tribunal (Section 259); and the appeal to Court of Appeal from decisions (Section 260). Practically all criteria used for scoring this dimension (refer to the table below) are addressed by the revised legislation.

In addition, the *Customs and Excise Act (2010*) includes in Part xvii-Objections, appeals and review of discussions, specific provisions pertaining to the establishment of a Customs Tribunal, appointments of the Chairman and the members and the qualifications required for being appointed (Section 261-262). Moreover Section 263 deals with the operational procedure of appeals, while Section 264-265(1) contains provisions in connection with the appeal to the High Court from a decision made by the customs tribunal and implementation of decisions. All provisions are clearly spelled out in the text.

The assessment team has used the same criteria used in the assessment of the procurement complaints tribunal (see PI-19). All 7 PEFA criteria are met.

Table 14: : Tax appeals mechanism

Tax complaints are reviewed by a body which:		
(i)	*is comprised of experienced professionals, familiar with the legal framework for taxation, and includes members drawn from the private sector and civil society as well as government.*	Y
(ii)	*is not involved in any capacity in revenue transactions .*	Y
(iii)	*does not charge fees that prohibit access by concerned parties.*	Y
(iv)	*follows processes for submission and resolution of complaints that are clearly defined and publicly available.*	Y
(v)	*exercises the authority to suspend the process.*	Y
(vi)	*issues decisions within the timeframe specified in the rules/regulations.*	Y
(vii)	*issues decisions that are binding on all parties (without precluding subsequent access to an external higher authority).*	Y

In short, the Tax appeals mechanism was instituted in October 2012 with a view to improve transparency in tax administration. The GRA commissioner general nominated as President of the Tribunal a High Court Judge; also panel members were nominated. It is however too early to properly assess its effectiveness and issues relating to access, efficiency, fairness or effective follow up on its decisions.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-13	Transparency of taxpayer obligations and liabilities	**C**	**B▲**	**Scoring Method M2**	**Performance has improved since 2010 due to improvement in dimensions (i), (ii) and (iii).**
(i)	Clarity and comprehensiveness of tax liabilities	B	B	The tax and customs legislation is fairly comprehensive and clear. The 2012 Income Tax and VAT Act provide less room for administrative discretion, although limited discretionary powers are still provided.	**Scores are not comparable. Performance has improved although the score has not changed.** The PA does not appear to have provided enough weight to the administrative discretion allowed by the regulations.
(ii)	Taxpayer access to information on tax liabilities and administrative procedures	C	B	Taxpayers have access to certain tax information and administrative procedures. Tax liabilities are estimated by the taxpayers (since 2012 the GRA applies self-assessment). The authority carries taxpayer education and dissemination campaigns on a regular basis.	**Comparable scores. Improvement in performance.** GRA services have been expanded to provide the taxpayers information on different tax liabilities and procedures (not yet on line). Education and dissemination campaigns are regularly carried out.
(iii)	Existence and functioning of a tax appeals mechanism	D	C▲	The tax appeals mechanism described in the new law (7 out the 7 criteria met) was instituted in 2012, but it is not yet fully operational. It is too early to assess its effectiveness and issues relating to access, efficiency, fairness or effective follow up on its decisions.	**Scores are not comparable.** Not enough evidence was provided in the PA; unclear which tax appeals mechanism was appraised. **Performance has nonetheless improved since 2010.** The revised legislation established the tax appeals mechanism and deadlines for taxpayers, which in the future are likely to expedite the

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
					time of tax appeals and thus minimize the increase of further tax arrears.

3.4.2 PI-14 Effectiveness of measures for taxpayer registration and tax assessment

This indicator aims at determining the effectiveness in the tax assessment based on the reliability of the taxpayer registration system and the correct assessment of taxpayer liabilities at the time of the assessment (mid-September/mid-November 2014).

(i) Controls in the taxpayer registration system
Section VII of the *Income and Value Added Tax Act (2012*) contains provisions in respect to the Tax Identification Number (TIN). The taxpayer registration system that assigns a unique TIN to each taxpayer has been in place since 2007. GRA quotes the individual TIN in every official correspondence with the registered taxpayers. The registration system is generated by the software GAMTAX.NET, which is not yet fully linked to other government registration systems, except for the cashier at the Ministry of Justice and GRA. ASYCUDA++ system is in use by the Customs authorities. A self-assessment regime by individual taxpayers started to be used by GRA. Currently, there are no electronic links/integrated data base linking all tax stations. An effective use of these data seems to be presently limited because the software applications for cross-referencing data with the information available in the GRA's own databases have not yet been adequately developed.

GRA is aware of the need for searching and exploiting opportunities to broaden the income and sales and excise tax base. They have contacted professional associations to identify additional potential taxpayers with the aim to expand the tax base. They are also actively involved in identifying tax evaders within different professional associations. GRA conducted a "Rented Property Survey" to expand its database with new potential taxpayers. Internal controls are monitored, and internal audits carried out, by GRA Internal Audit with regards to their registered taxpayers. GRA was unable to provide specific data in respect to the number of active taxpayers compared to the total registered taxpayers that filed a tax return in FY 2013 (or the percentage of the total taxpayers that might be considered to be stop-filers). Regular visits are paid to the informal sector to increase its contribution to government tax revenues. Another source of information on registered taxpayers is government institutions, such as the Public Utilities Regulation Authority (PURA).

(ii) Effectiveness of penalties for non-compliance with registration and declaration obligations
The revised tax legislation provides for a system of penalties for non-compliance with registration and declaration obligations that vary according to the seriousness of the offense (see *Section X of the Income and Value Added Tax Act: Interest, penalty and offences).* The law makes a distinction between the late payment interest (due) and penalties (for failure to submit a tax return, non-payment of tax, failure to apply for VAT registration, failures to maintain proper records, making false or misleading statements). Committing an offense in the sense prescribed by the law is liable on conviction to quite substantial fines and/or imprisonment for different terms. Section 235 refers to the imposition of penalties. Sections 236-249 contain provisions applicable in case of offenses. Penalties are applied in case of late payment (interest is due for the number of days of delay). Private sector representatives interviewed considered that penalties foreseen by law are relatively fair and clearly spelled out in the recent legislation. They also echoed the fact that in practice they are not always enforced, and therefore their effectiveness is limited.

The Assessment team was able to get data from the GRA only about the overall amount of penalties collected during the FYs 2011 to 2013 (details about the penalties collected for non-compliance with registration and declaration obligations were not available). Accordingly, the overall annual amount of penalties is rather insignificant, compared to the annual total revenue collected. Besides it may equally indicate that the actual efficiency of the penalties is rather limited.

Table 3.14: Fines, penalties and forfeits at 31 December 2011-2013 ((*in thousands GMD)*

Item	2011	2012	2013
Total Fines & Penalties*	*1,145*	*1,175*	*530*

Source: GRA: "Revenue figures by tax type (2009-2014) as of 31 August 2014.
**Note there are no penalties, since out of the total almost 100% represent fines.*

To sum it up, penalties for non-compliance with legislation exist for most relevant areas, but their amount is not known. Based on the information available the overall amount of fines and penalties is rather insignificant. In practice their level is enough dissuasive, but their efficiency is limited, since their enforcement in practice is low.

(iii) Planning and monitoring of tax audit and fraud investigation programs

GRA's Tax Audit Section elaborates for own purposes an annual audit plan. From meetings with the Unit, the Assessment understood that in 2013 the Unit had planned to audit the largest 76 taxpayers but completed only 50 out the planned audit exercises. For 2014, the Unit had planned to perform 100 audits for all types of taxpayers, while starting to focus on the high risk cases. Activity reports at the end of the year are not produced. The Authority has developed a risk-based computer assisted system for selecting audit cases and will start to channel resources to higher-priority and high risk cases. At present there are still many cases that are selected for a compliance audit only and the risk criteria are not widely used in practice.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-14	Effectiveness of measures for taxpayer registration and tax assessment	**C**	**C**	**Scoring Method M2**	**Overall score is unchanged. That said, performance has improved due to performance improvement in dimension (iii).**
(i)	Controls in taxpayer registration system	B	C	Taxpayers are registered in databases for individual taxes that are not fully and consistently linked with external data bases. This is supplemented by occasional surveys of potential taxpayers.	**Scores are not comparable.** The PA appears to have overrated the dimension. Thus, though the score has slipped, performance has not.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
(ii)	Effectiveness of penalties for non-compliance with registration and declaration obligations	C	C	Penalties for non-compliance with legislation exist for almost all relevant areas. The real amount of the penalties is not known, although apparently their level is rather insignificant. Penalties' level is enough dissuasive, but their efficiency is limited since their enforcement in practice is low.	**Scores are not fully comparable** because insufficient/no information was provided in PA to justify the assessment. **No change in performance** since the PA.
(iii)	Planning and monitoring of tax audit and fraud investigation programs	D	C	Routine compliance tax audits and fraud investigations are planned and conducted regularly, but audits are not always based on clear risk assessment criteria.	**Improvement in score and performance.**

Ongoing reforms

With the IMF-funded technical assistance, GRA set up recently a Tax Audit and Intelligence and Investigation Unit under the Domestic Tax Department at the HQ that shall undertake fraud investigations based on an annual work plan focusing on high risk cases.

3.4.3 PI-15 Effectiveness in collection of tax payments

This indicator assesses the effectiveness of the tax administration authorities to control the level of tax arrears and collect them when they occur, to transfer tax collection to the Treasury on a timely basis, and to undertake reconciliation exercises to ensure that the collection system works as intended. It analyses the last two completed FYs (FYs 2012 and 2013) for dimension (i). For dimensions (ii) and (iii), it assesses the situation at the time of assessment: i.e. at mid-September/mid-November 2014 for this Assessment.

(i) Collection ratio for gross tax arrears

In the "Statement of Arrears of Revenue" included in the Financial Statements 2013, it is mentioned that: "*No arrears of revenue were reported at year's end by the votes"*.[56]

GRA provided the team with the document "*Arrears due from Public Enterprises as of 31/08/2014".* Information made available by GRA (see table 3.15 below) does not show the percentage of gross arrears at beginning of each FY that was collected during that year. There are no complete and reliable data on tax arrears *(gross and net)* for the last two FYs. Reporting on arrears is done manually and data is not fully updated regularly (at least once a year).

Nevertheless, based on data supplied by GRA, the total accumulated arrears of PEs stood at 1,054 million GMD at end FY 2013, and at 842 million GMD at end FY 2012. These arrears concern major PEs in the Gambia, such as: Gambia International Airlines (GIA), Gambia National Petroleum Company (GNPC), Gambia Ports Authority (GPA), Gambia Cellular (Gamcel), Gambia Telecommunications Cellular Company (Gamtel), Gambia Groundnut Corporation (GGC), National Water and Electricity Company (NAWEC), etc. The data supplied is broken down by year of assessment (age), type of assessment, tax type, amount of tax due, amount of tax paid, and balance to be paid. Based on the same source, the total amount of tax arrears at end FY 2013 constitutes 42% of total revenue for FY 2013 (see Table 3.15). Though no specific data was provided on the existence of arrears for personal income tax, small business, from discussions with GRA senior management, the team understands that arrears of PEs constitute approximately 98% of the total accumulated tax arrears. Arrears on customs duty also do not appear to be an issue, as duties and import taxes are paid before the goods are released to the importer.

Table 3.15: Total Revenue and PE Tax Arrears in FYs 2012 and 2013 (GMD)

Revenue Head	FY 2012			FY 2013		
	Revenue	Arrears at year's end	%Arr/ Rev	Revenue	Arrears at Year's end	%Arr/ Rev
Income Tax	1,411,161,447	520,191,020	**36.9%**	1,260,219,838	612,592,563	**48.6%**
VAT/GST	594,495,483	285,439,046	**48.01%**	671,581,689	379,403,240	**56.5%**
Others	431,869,776	36,227,469	8.39%	557,360,214	62,082,884	11.1%
Total	**2,437,526,708**	**841,857,535**	**35%**	**2,489,161,742**	**1,054,078,687**	**42%**

Source: GRA, own computations.

Even in the absence of specific data in respect to the collection ratio, we may deduct indirectly that the tax arrears collection ratio is quite low. On the basis of data presented in the table, the Assessment team concludes that overall tax revenues arrears for PEs were around 35-42% of the total revenue collected in each of the past two FYs: in other words, that the collection ratio is around 58-65% for PEs. Given the tax arrears for PEs are reported to be 98% of total tax arrears, the overall collection rate is estimated at 57% for FY 2012 and 64% for FY 2013. While the GRA has a good range of powers to collect arrears, including seizing and selling property at public auctions, these are not always resorted to in practice.

[56] Financial Statements 2013, page 17.

(ii) Effectiveness of transfer of tax collections to the Treasury by the revenue administration

Taxpayers and importers pay their taxes and duties directly to designated commercial banks, thereby significantly reducing security risks of both revenue collectors and taxpayers (previously, the majority of payments were done in cash). MoFEA has initiated the first steps of the implementation of a Treasury Single Account (TSA). The TSA architecture is in place and will cover a large part of Central Government revenue and expenditure. Nevertheless the TSA is not yet operational. There is a Consolidated Revenue Fund (CRF) and the Treasury Main Account (TMA). GRA revenue collection is deposited on a special revenue account that is periodically transferred to the CRF and TMA (once a week). Funds are transferred from CRF to TMA on a cash basis, following approval by the Budget Director. The sub-treasuries have both an operation and a revenue account with the commercial banks all collected revenues are lodged into these accounts and are remitted to the Consolidated Revenue Fund (CRF) at the Central Bank.

Based on Standing Orders, revenue collection accounts are cleared to CRF twice a week. Even though at present instant transfers would be technically possible, by using for instance the Electronic Fund Transfer (ETF), currently GRA is not able to provide for the same day the transfer of revenue collections, that typically takes two to three days. MoFEA/DNT has set up an interface with the CBG that provides real time information on Government cash balance.

An interface was recently developed between the IFMIS and the Core Banking Module (T24) of the CBG. This provides MoFEA (Treasury Directorate) with online access directly from IFMIS to all Government bank accounts and uploading the bank statements to the IFMIS, aiming to facilitate automated bank reconciliations in real time and to assist in the treasury management function of MoFEA.

(iii) Frequency of complete accounts reconciliation between tax assessments, collections, arrears records and receipts by the Treasury

The new IFMIS platform built on web-based Epicor v.9 is used to support daily budget execution operations at the CG level since January 2014. The IFMIS includes among its six modules a receivable module. There are daily (automated) bank reconciliation exercises between the CBG accounts and the Treasury receipts. GRA's accounting system is developed on a cash basis. The Authority's financial statements are generated manually through the use of a trial balance that results from transactions processed on the IFMIS accounting system. The reconciliation exercise is completed typically two months after the end of the FY.

The GRA keeps records on its aggregate tax collection and transfers to the DNT in its accounting system. It is understood that GRA does not keep records for each taxpayer about tax assessed, tax due and tax paid. Presently GRA is not able to consolidate such information, so that it can report how much of the assessed taxes is: (a) not yet due, (b) in arrears-and out of that how much is in dispute; considered bad debt and in principle collectable-, (c) collected by the GRA, but not yet transferred to the Treasury.

A recent NAO external audit report of GRA's Financial Statements at the end of 2011 evidenced a number of issues in respect to the compliance with regulations.[57] It concerns among others reconciliation of accounts (reconciliation of accounts not signed, imprest not updated and reconciled regularly, other revenue-revenue generated from TIN not regularly reconciled, etc.

In sum, although reconciliations between revenue assessed and revenue collected are carried out every two-three months, presently the complete exercise is done at least annually within three months of end of the year. It does reconcile revenue assessment, its collection, transfer and arrears.

[57] NAO Audit Report on Financial Statements at 31 December 2011, February 2014, page 28.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-15	Effectiveness in collection of tax payments	**NS**	**D+**	**Scoring Method M1**	**Overall scores are not comparable. That said, performance has improved due to improvement in dimension (iii).**
(i)	Collection ratio for gross tax arrears, being percentage of tax arrears at the beginning of a fiscal year, which was collected during that fiscal year	NS	D▲	The arrears collection ratio is quite low, at around 57% and 64% in FY 2012 and 2013 respectively. However, there are reservations about the reliability of data provided by GRA that refers only to PEs tax arrears.	**Scores are not comparable.** Since data on total tax arrears were not available in 2010, the PA did not score the dimension. While the level of arrears is high and the arrears collection ratio is rather low, there has been a slight improvement in the availability of tax arrears data.
(ii)	Effectiveness of transfer of tax collections to the Treasury by the revenue administration	B	B	Commercial banks collect almost 100 % of all tax revenue. Transfers to the Treasury are typically made twice a week.	**No change.**
(iii)	Frequency of complete accounts reconciliation between tax assessments, collections, arrears records and receipts by the Treasury	C	C	Reconciliation between revenue collected and transferred is carried out at least quarterly but the exercise is incomplete as it does not fully reconcile revenue assessment, its collection, transfer and arrears. Complete reconciliation of total tax collected and amount transferred to the Treasury takes place at least annually within three months of end of the year.	**Scores are not comparable,** as the 2010 assessment provides inconsistent information. The basis for the PA's rating is uncertain; the PA seems to have overrated the dimension. **Actual performance has thus improved, despite the unchanged score.**

Ongoing reforms

The Government has embarked on a comprehensive reform programme to enhance domestic revenue collection over the medium-term. The country's development partners provided technical support to the on-going initiatives aimed at improving tax administration, including tax compliance. Beyond the VAT, which was introduced at the beginning of 2013, the government will pursue a comprehensive agenda for tax reform aimed at broadening the tax base, eliminating certain taxes, and simplifying direct taxes, namely the reduction of tax brackets and the level of tax rates applicable to certain tax types. With the introduction of VAT, GRA upgraded the core applications system of the GAMTAXNET essential for the successful implementation of VAT, such as taxpayer registration, return filling, and payment processing. In the area of tax laws and regulations, the Tax Authority has taken the initiatives of amending law and regulations that facilitate the administration of revenue and speed up the operations of the recently set up tax tribunal (although not fully operational). Furthermore, amendments to the law that will increase penalties for the late lodgement or non-lodgement of the tax returns in order to further deter non-compliance were lately approved by the National Assembly. The government has also implemented two tax policy decisions which are largely expected to have a positive effect on tax collections: reduction of the corporate tax rate from 35 % to 33 % and the removal of tax exemptions that were previously accorded to public enterprises. Government intends also to conduct a comprehensive survey of tax expenditures which would usefully inform a comprehensive study of tax reform to assess the scope for broadening the income tax base and lowering tax rates. The Government will also review the tax on allowances, with a view toward eventually applying it consistently to all civil servants, in addition to the employees of public corporations and private sector employees. In addition, it will assess the impact of a withholding tax on interest income. To improve the efficiency in collection of tax payments, a computerized system-the GAMTAXNET- is operational since late 2013. The system captures, monitors and keeps track of tax assessments and payments. GRA plans the rolling out of the computerised system to all GRA branch offices countrywide.

3.4.4 PI-16 Predictability in the availability of funds for commitment of expenditures

This indicator assesses the extent to which MoFEA provides reliable information on the availability of funds to the MDAs that manage administrative budget heads in the CG budget. Effective budget execution requires that MDAs receive reliable information on the availability of funds. For all three dimensions of this indicator, performance is to be assessed over the last completed FY before assessment: i.e. FY 2013 for this Assessment.

(i) Extent to which cash flows are forecast and monitored

MDAs provide a quarterly cash plan to the BD at MoFEA. The quarterly cash plans include a monthly breakdown. Meetings indicated that MDAs submit such plans regularly as their cash allotments and authorization to spend granted by the MoFEA is partly based on their cash plans (see dimension (ii)). The BD in the past, and also again in FY 2014, consolidates the cash plans in an overall cash forecast. This is normally issued for the year, and updated monthly. During FY 2013, the consolidation function of the cash plans submitted by MDAs at the MoFEA level was however discontinued. The cash forecast for the whole year at the consolidated level at the start of the year was thus not developed for FY 2013. The consolidated cash forecasting function was reintroduced around July 2013. For FY 2013, the cash flow forecast at the consolidated level was thus undertaken for the last 2 quarters only. It was updated monthly.

Even though the function at the consolidated level has resumed in mid-FY 2013, MDAs capacity for cash planning is weak, undermining the quality of the overall cash plan. Cash plans at the MDA level are also not sufficiently linked to procurement plans; the same was found to be the case by the 2010 Assessment. According to the IMF FAD April 2014 TA report,[58] MDAs have not received adequate training in cash forecasting. Moreover, their ability to provide reliable cash plans is severely hampered by the short horizon they are provided by MoFEA on their ceilings for expenditure commitments (see dimension (ii)). Though MDAs are asked to submit quarterly plans (with the monthly breakdown), they are provided information from MoFEA on the available resources for committing expenditure on a monthly basis. Though a Liquidity Forecasting Committee (LFC)[59] has been set up, it's main focus is to monitor cash flows, expenditure and revenue in order to advise on the domestic borrowing policy and achieve the target for NDB agreed with the IMF for 2014 (2.5% of GDP). The cash forecasting and management function in practice resides with the BD. According to the findings of a second FAD report, [60] the quality of the overall cash plan formulated by the BD is also limited by the use of the GRA's tax collection plan rather than actual revenue forecasts.

(ii) Reliability and horizon of periodic in-year information to MDAs on ceilings for expenditure commitment

Although meetings with BD and Line Ministries indicated that a warrant for the approved budget allocation is issued to MDAs for the whole year at the start of the FY, they also clearly specified that the commitment of expenditure in MDAs is based on the cash allotments they are provided by the BD, MoFEA. Although budget allocations are made, the main mechanism for commitment is cash allocations. The cash allocations granted from BD to MDAs are partly based on the cash plans that MDAs have in turn submitted to MoFEA (see dim. (i)), although the BD considers the requests of the MDAs in the context of the overall available cash. The FI stipulate that the MoFEA is to attribute cash allocations to MDAs on the basis of the cash plan they submit, while at the same time ensuring that the cash allocations are "strictly limited to the availability of funds within these overall cash plans". (FI, section 69). Given issues of cash availability at the overall level, the cash allotments to MDAs are provided on a monthly basis and cover the coming month only. The cash allocations are also the basis through which MDAs are provided information on the actual resources available for them to commit expenditure, and upon which MDAs do commit expenditure. As a result, MDAs are provided information on commitment ceilings for the coming month, one month at a time.

Section 30 (subsection 1) of the GMBAA in fact stipulates that "as soon as the Government Budget is approved, [the MoFEA] shall issue warrants for spending of appropriations and inform the vote controller of each budget agency of its approved budget". Under Section 30 (subsection 3), the Act however also states that the MoFEA may "set, for cash management purposes, such periodic limits on incurring of commitments and execution of payments, as are deemed necessary."

(iii) Frequency and transparency of adjustments to budget allocations, which are decided above the level of management of MDAs

All adjustments to initial budget allocations are decided above the level of management of the MDAs. Reallocations within a given MDA have to be approved by MoFEA, and MoFEA can reallocate funds between MDAs. MoFEA can operate adjustments to the budget allocations approved in the original budget through virements. The rules for virements are defined in the GMBAA section 30. Box 16 below outlines the relevant sections, as well as the rules for supplementary budgets.

[58] IMF, FAD, *The Gambia, Medium-Term Expenditure Framework: Challenges and Reform Priorities,* April 2014).
[59] The LCF comprises representatives of MoFEA (BD, DLDM, DNT, MPAU), the Central Bank and the GRA.
[60] IMF, FAD, *The Gambia, Budget Execution: The Way Forward,* September 2014.

Box 16: GMBAA: Rules for virements and supplementary budgets

(i) The MoFEA can approve the "virements" of funds within the same administrative heading/budget agency: "among expenditure items [...] up to a maximum of seventy five per cent of the appropriation of giving or receiving expenditure items" (GMBAA, section 30, 4 (a)).
(ii) The MoFEA can also "vire" funds between administrative categories and budget headings "provided that the amount being vired does not exceed fifty per cent of the total appropriations [of the budget agency] and the giving or receiving expenditure items of each budget agency" (GMBAA section 30 (4b)).
(iii) "Where the amount to be vired exceeds the limits set under subsection (4), the approval of the Secretary of State is required"(GMBAA, section 30, 5).
(iv) Virements" are not allowed between "Personal Emoluments" and "Other Charges". (GMBAA section 30 (6)).
(v) Also, reallocations cannot affect the total overall amount of approved expenditure. Any increase in the total amount approved expenditure has to be approved by Parliament through a supplementary budget. "Where substantial changes in the economic and social conditions require larger expenditures than the original and revised budgets allow, the Secretary of State shall submit a supplementary budget to the National Assembly, detailing the additional expenditures and sources of their financing" (GMBAA section 31 (2)). The revised budgets can change expenditure composition, but total revised expenditures have to be "within the limit of the total appropriated expenditures in any particular financial year" (GMBAA section 31 (1)).

Although the provisions for virements under section 30, subsections 4 (a) and (b), of the GMBAA are clear and provide for transparent, albeit wide, reallocations, the GMBAA also specifies, under section 30 (5), that the MoFEA can also operate reallocations between MDAs beyond the limits prescribed under subsections 4(a) and (b) as deemed necessary, provided that no reallocations are made between Personal Emoluments and Other Charges, and that affect the total overall expenditure. This provision of the GMBAA allows the MoFEA to operate frequent, and possibly large, adjustments in a manner that is not transparent or predicable for MDAs.

During FY 2013, one supplementary budget was approved through Parliament. This authorised a total of 300 million GMD of additional expenditure. Some MDAs received additional budget allocations thanks to the supplementary, but no reallocations were made through the supplementary. Thanks to data received from the BD and the DNT on the reallocations operated in FY 2013, the Assessment Team could determine that 725 reallocations were made in FY 2013. These amount to reallocations between MDAs/budget heads and not within a budget agency and initiated by MoFEA above the level of the MDA. The amounts of the individual adjustment events is not always significant in terms of total primary expenditure, as single events can be above 0.5% yet are usually under 1% of total primary expenditure. That said, combined events result in reallocations from the same budget agency/or to the same budget agency that are significant in terms of primary expenditure.[61] PI-2 results show the impact of reallocations on the variation of composition of expenditure.

[61] The Team has considered the amounts of the combined reallocations not all together, but to or from the same budget agency, during FY 2013. Refer to clarification *16-e* in the *FieldGuide* on how significance may be assessed, i.e. it is suggested that significance may be assessed in relation to the percentages specified in the PI-1 rating criteria.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-16	Predictability in the availability of funds for commitment of expenditures	**C**	**D+**	Scoring Method M1	**No overall change in performance despite the change in scores.**
(i)	Extent to which cash flows are forecast and monitored	C	D▲	For FY 2013, the cash flow forecast at the consolidated level was not prepared for the year but only for the last 2 quarters. There are also concerns regarding the quality of the cash plan at the MDA and the overall level.	**Scores have slipped. Performance change is uncertain.** On the one hand, performance has slipped (albeit temporarily, in FY 2013), in so far as the 2010 Assessment found that a cash flow forecast was prepared for the year by MoFEA (then DOSFEA), whereas this Assessment found that the forecasting function at the central level was discontinued for the first half of FY 2013, so that a cash plan for the year was not issued for FY 2013. On the other, evidence reported by the PA questions the quality of the cash plan issued, so that the basis on which the PA rated the dimension could be uncertain.[62]
(ii)	Reliability and horizon of periodic in-year information to MDAs on ceilings for expenditure commitment.	C	C	MDAs are providing reliable information on commitment ceilings one month in advance.	**No change in score or performance.** No other factors. At the time of the PA, commitments were also based on cash allotments, which were provided for the month on a monthly basis.

[62] For instance, although under the PA Assessment, the cash forecast was updated monthly, the PA considered the updates to be done on too weak a basis to count as regular updates. The evidence reported by the PA is insufficient to assess change in performance in a certain manner, but it is possible that the PA overrated the dimension as the quality of the cash plan was considered poor.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
(iii)	Frequency and transparency of adjustments to budget allocations, which are decided above the level of management of MDAs.	C	D	Significant in-year budget adjustments are frequent and not done in a transparent manner.	**No change in performance.** The PA overrated the dimension as it concluded that there were significant and frequent in-year adjustments introduced by MoFEA (then DOSFEA), with no clear criteria and without dialogue with MDAs.

Ongoing reforms

The recently enacted Public Finance Bill has the same rules for in-year reallocations as the GMBAA.[63] For dimension (ii), no reforms are ongoing. For dimension (i), cash forecasting at the overall level was resumed in mid-2013 and a cash plan was developed by the BD for FY 2014. There are nonetheless concerns as to the reliability of the cash forecasts developed at both the MDA and aggregate level, as reported above. The two IMF FAD missions that have also raised such concerns, have made recommendations to improve cash planning capacity and suggested further TA by AFRITAC West to develop a Cash Management Manual.

3.4.5 PI-17 Recording and management of cash balances, debt and guarantees

This indicator assesses the quality and completeness of debt records, debt management and the overall consolidation and control of government cash balances. Dimensions (i) and (ii) of this indicator are assessed as at the time of assessment (mid-September/mid-November 2014), while dimension (iii) measures performance over the last completed FY before assessment (FY 2013).

(i) Quality of debt data recording and reporting

The legislative and institutional framework for contracting debt is grounded in a number of Acts. The most important primary legislation covering debt management is: the Loans Act (1970); the GBMAA (2004); and the Central Bank Act (2005).The recently enacted Public Finance Bill also covers public debt management: Section 37 contains provisions concerning borrowing purposes; section 38 covers debt management, section 39 the debt management strategy, section 40 the borrowing plan, section 47 is on state guarantees and 48 on State lending.

The DLDM under MoFEA is the unit in charge of external debt management and debt records. The Directorate presently uses the software Commonwealth Secretariat Debt Recording and Management System 2000+ (CS-DRMS). The debt recording system is so far not yet linked with the MOFEA/IFMIS. All external debt is captured in the DLDM's system. On the basis of the Central Bank Act (2005), the CBG is responsible for the management of the domestic debt in the Gambia. The Bank has introduced a new payment system -using the Depo-Ex software- in 2012 with the support of the AfDB. Records on domestic debt are updated once a week. The CBG produces complete monthly fiscal reports for both domestic and external debt. Full reporting and reconciliations are done on a weekly basis. A typical report includes details on payments on interest due, stock of debt, reconciliation with MoFEA/Treasury, debt composition by debt holder, debt service for external debt, etc.

[63] Public Finance Bill 2014, March 2014.

The electronic upload of the domestic debt as per the Central Bank records is however not yet fully operational. Updates and reconciliations between the DLMD database (covering external debt) and the CBG database (covering domestic debt) are done manually at least each quarter.

The DLMD issues a Statement at the time loan payments are due (for interest on loans usually that takes place twice a year). Separate reports are produced for external and domestic debt, and consolidated reports are not yet available. A “Public Debt Bulletin” is produced each year; the latest bulletin based on data as of end December 2013 was finalised in October 2014. The Bulletin reviews central government external and domestic debt (excluding government guarantees, arrears and contingent liabilities) and analyses public debt operations of GoTG for the period January to December 2013. In addition the document highlights the institutional and legal arrangements for debt management and discusses the implementation of the Medium-Term Debt Strategy (MTDS), 2011-2014. Overall debt records are of fairly good quality and relatively comprehensive.

(ii) Extent of consolidation of the government’s cash balances

The expenditures and revenues of all MDAs that comprise CG are channelled through the treasury account under the management of the DNT. Treasury accounts are maintained at the CBG. In order to keep track of the source of revenue and disbursements, the CBG has established a sub-account ledger that includes one revenue account and one expenditure account for each of MDA. The daily report from the CBG summarizes the activity in each ledger account to allow DNT to know the source of financial transactions. The balances of these sub-accounts are swept daily into the Central Bank accounts. That is, revenues are taken and expenditures are covered, so that at the end of each day the sub-ledger accounts end with a zero balance. Some bank accounts are maintained outside the CBG: most notably project donor-funded accounts, for which provisions in the loan or grant agreements are made to maintain separate bank accounts. These project bank accounts are at CBG, but not under Treasury's supervision.

However, these project accounts are recorded in the DNT/IFMIS General Leger and thus the DNT has knowledge as to their existence and status. The bank reconciliations of Treasury managed accounts are performed each month by the Treasury. Monthly financial summaries are sent to the MoFEA DNT that incorporates these data into the monthly consolidated financial accounts. AGAs perform their respective bank reconciliations and send their financial position statements monthly to BD, but do not report to the DNT. The expenditures and revenues of all MDAs that comprise central government are channelled through the Treasury account under the management of the DNT. In summary, most cash balances are calculated and consolidated at least weekly, but some extra-budgetary funds and AGAs remain outside the consolidation process.

(iii) Systems for contracting loans and issuance of guarantees

The present legal framework that governs contracting of loans and guarantees includes the Constitution of the Gambia (Article 155) and the GBMA Act (2005), and The Central Bank Act (2005).

The GBMAA (2004) mentioned earlier in this section states that the Minister of MoFEA has the sole responsibility to issue State guarantees (Section 47-State guarantees). In addition, the Minister has the sole power to borrow/on lend from any legal entity or persons and to enter into a guarantee or indemnity with third parties. It further states that PEs and local authorities can only borrow money from external sources through MOFEA (section 48-State lending). In addition, the Act states that the Minister chooses the form, the terms and conditions and instruments of borrowing subject to the condition that in matters that relate to monetary policy shall consult the CBG. The National Assembly ratifies external loans and guarantees. Article 155 of the 1997 Constitution establishes the requirement of ratification in the form of an Act emanating from the National Assembly for any guarantee by the Government and any international business or economic transactions to which the Government proposes to become party. The basis of this authority is clear and well respected in practice.

The MoFEA has also the obligation to prepare and to publish a Statistical Bulletin that provides accurate and timely information on issues such as: debt stock, service costs, risk measures, guarantees issued by the State, lending provided by the State, finance lease agreements (Section 52-Publication of State debt and finance arrangements). Section 53 of the Debt regulations on public debt prescribes that the MoFEA shall each year prepare a draft annual report to the National Assembly on the State debt management operations, guarantees and lending activities and other financial arrangements entered into the previous financial year.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-17	Recording and management of cash balances, debt and guarantees	**B**	**B+**	**Scoring Method M2**	**Overall performance has improved due to performance improvement for dimension (iii)**.
(i)	Quality of debt data recording and reporting	C	B	Domestic and foreign debt records are quite comprehensive. The domestic and foreign debt databases are reconciled on a quarterly basis. Data are considered of fairly good standards, though minor reconciliations problems occur between the CBG and DLMD databases. Management and statistical reports are quite complete, covering debt service, stock and operations and are produced at least annually.	**Scores are not comparable.** The 2014 score has improved yet performance may not have, as the PA appears to have underrated the dimension.
(ii)	Extent of consolidation of the Government's cash balances	B	B	Most cash balances are calculated and consolidated at least weekly, but some extra-budgetary funds and AGAs still remain outside the consolidation process.	**Scores are comparable. No change.**

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
(iii)	Systems for contracting loans and issuance of guarantees	B	A	Central government's contracting of loans and issuance of guarantees is made against transparent criteria and fiscal targets and always approved by a single responsible government entity (MoFEA).	**Scores are comparable. Performance has improved.**

Ongoing reforms

A *Debt Management Advisory Committee* has been recently set up. This committee will be charged with the responsibility of advising on all relevant and related debt management topics and reforms. MoFEA is considering the creation of an ad-hoc tripartite working group involving MoFEA, CBG and market participants to review government domestic debt market developments. In a strive to improve debt data quality and coverage further, DLDM is implementing a number of reforms, including: (i) developing a comprehensive database on General Government debt - including liabilities of municipal councils, (ii) developing an interface between IFMIS and CS-DRMS, and (iii) CS-DRMS is being updated with domestic debt data from the CBG at DLDM.

3.4.6 PI-18 Effectiveness of payroll controls

This indicator is concerned with the payroll for public servants. The payroll is generally underpinned by a personnel database which provides a list of all staff who should be paid every month and which can be verified against the approved establishment list and the individual personnel records. Dimensions (i) through (iii) of this indicator assess the payroll control function as at the time of assessment (mid-September/mid-November 2014), while dimension (iv) measures performance over the last three years before the assessment (i.e. mid-September/mid-November 2011 to mid-September/mid-November 2014).

A personnel file for each employee is maintained within MDAs by the corresponding HR unit. Records in this file are exclusively based on decisions made by the Public Service Commission (PSC). Any changes operated by the PSC are communicated through official communication. The payroll records and management for all employees is the responsibility of the Payroll Office within the MDAs HR Unit. Monthly payroll updates are based on changes made to the personnel file during the previous month.

(i) Degree of integration and reconciliation between personnel records and payroll data

The Personnel Management Office (PMO) is the entity in charge of the personnel records that are kept in two formats. The electronic form is used by a special Directorate Human Resource Information System (HRIS) that is responsible for the management of all civil servants. They use a specific software PIMS (Personnel Information Management System). PMO envisage the setting up of a Human Resource module within IFMIS already integrated and referred to as NAS.DNA. In principle, each employee is allocated a TIN, and practically there should be a unique TIN for all employees. Consequently, the information included in the PIMS is not yet comprehensive. The salary scales refer to 13 grades (1-12) and what is referred to as “fixed scales” for senior management (at PS level). The records for grade 1 staff (lowest level) are decentralised at different MDAs. The Head of MDA can appoint these staffs, but sometimes full details and information about the new staff is not sent to the centralized system at PMO.

The web-based payroll module is being used for the payment of all CG personnel salaries (NAS DNA integrated with IFMIS). The payroll is centrally operated by the DNT, with the exception of Ministry of Education, the NAO, the Judiciary. In principle the Treasury makes bank payments to employees through their bank account (except for "wage earners" such as cleaners, watchmen, etc.) for which payments are made in cash. The PMO and DNT systems are however stand-alone and not yet interfaced/interlinked. DNT has a single database on payroll. In terms of payroll records, the information is generally complete. A reconciliation exercise for the payroll and personnel data is done typically every six months; any decision that has an impact on payroll is inserted in to a special file (the "Running File"). The last such exercise was done at end of December 2013.

(ii) Timeliness of changes to personnel records and the payroll

All changes in personnel records are processed by PMO. In principle they should be done without delays. Modifications are processed in the individual personnel record files. Situations when delays may appear are for instance when staff is leaving the unit without properly ending his/her contract or until a confirmation is formally received from the employing entity that his/her contract has been terminated. (Typically, after 15 days of absence, the employment contract is considered as terminated). In some cases information is however not rapidly communicated to PMO by the relevant employing entity, and as a result the employee can still be on payroll even for months. PMO conducts ad hoc trial audits to check and update any information gaps. Also, in practice there is a time gap between when payroll decisions are being made by PMO and the actual time when they are implemented by DNT and reflected in the individual payroll. PMO's Human Resource module, the HRIS, is not yet integrated with the DNT payroll module (DNA), and with the IFMIS, hence the delays in effecting changes to personnel records and the payroll. That said, retroactive modifications occur relatively rarely. Though delays can occur between changes in the personnel records and changes in the payroll, changes are usually operated within a month and rarely beyond three months.

(iii) Internal controls of changes to personnel records and the payroll

Internal controls on personnel records under electronic format are done by a special unit within PMO, the HR Information Systems that comprises 4 staff, and is under the direct supervision of the deputy PS at PMO. Its staff is the only personnel authorised to operate changes in the staff records. For the records in paper format, the PS is the sole person having the power to authorise amendments in personnel records. PS decides whether to process the demand of change (authorization); he then refers the file to the concerned unit that initiated the operation. The authorization procedures for operating modifications are clearly spelled out and include specifically the names of the restricted authorised HRIS officers. In addition, routine audits are performed on an ad hoc basis and results are available on both electronic and paper records. For the changes in personal records that have a financial impact, they are processed at the level of DNT on the payroll module after this has been duly authorised.

(iv) Existence of payroll audits to identify control weaknesses and/or ghost workers

Partial audits are routinely performed by the Internal Audit unit within the Human Resource Unit that involves field inspections for major spending ministries (MoBSE and MoHSW in particular). In principle the identification of control weaknesses is the responsibility of each MDA and includes the ability to identify "ghost workers". In addition, they perform sample audits of the payroll function on an ad hoc basis. PMO is mandated by law to perform audits of personnel and payroll audits and controls. Recently, full payroll audits and staff surveys were performed jointly for the government-wide payroll operations. An overall Human Resource audit to gauge the amount of "ghost workers" within the civil service was carried out jointly by DNT and PMO in 2012 and published in 2013. The audit was performed by independent teams headed by a senior PMO official, and comprising officers from different MDAs audited. Preliminary findings of the exercise showed that a total of 2,000 ghost workers were on the government payroll, thus being a significant contributor to the ever increasing wage bill. The team was informed that follow up measures were taken by the Government in response to the findings and recommendations issued by the audit. Eventually some of the staff missing at their counting posts were subsequently identified and reinstated on the payroll, so that the initial figures were reduced.

In 2014, PMO also undertook a partial audit of the MoHSW, and a special staff audit at the Ministry of Fisheries.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-18	Effectiveness of payroll controls	**C+**	**C+**	**Scoring Method M1**	**Overall performance has improved due to positive changes in dimensions (iii) and (iv).**
(i)	Degree of integration and reconciliation between personnel records and payroll data	C	C	PMO's Human Resource module NAS.net is not yet integrated with the IFMIS payroll. Reconciliation exercises for the data are done generally every six months. Certain (though not substantial) delays (ref. dimension (ii)) are experienced in translating changes to personnel records on the payroll.	Scores are comparable. No change in performance.
(ii)	Timeliness of changes to personnel records and the payroll	B	B	Required changes to the personnel records are updated monthly (or at least every three months) and generally without substantial delays. Retroactive adjustments are not frequent.	Scores are comparable. No change in performance.
(iii)	Internal controls of changes to personnel records and the payroll	C	B	Authority to change personnel and payroll records is clear and restricted.	Scores are comparable. Performance has improved.
(iv)	Existence of payroll audits to identify control weaknesses and /or ghost workers	C	B	Complete audits or staff surveys have been undertaken within the last three years at the ministry and department level under PMO coordination and supervision.	Scores are comparable. Performance has improved.

Ongoing reforms

Better and more frequent human resources planning for payroll management and control, given the increase in the civil service over the last few years, is under consideration. The validation of the HR records (resource module NAS.net) in the IFMIS payroll module as envisaged by the government, would allow for the regularization of these records, with the removal of ghost workers and the elimination of vacant positions. This would strengthen management of the personnel records, and of the recording of new entrants in the payroll. In addition, the ongoing World Bank project "IFMIS additional funding", aims to increase the PMO's capacity to effectively monitor and control changes in personnel records. It should also help create a single database for both DNT and PMO, by fully activating the three modules already installed in the DNT payroll database (recruitment, training and development, and performance management module).

3.4.7 PI-19 Competition, value for money and controls in procurement

This indicator assesses the strengths of the national procurement system, covering the design of, and compliance with, the legal framework. Dimensions (i), (iii) and (iv) of this indicator assesses the procurement function as at the time of assessment, while dimension (ii) measures performance over the last year before assessment.

Box 17: Modification in PEFA methodology for the assessment of PI-19

In January 2011 the PEFA Secretariat modified the PEFA guidelines for PI-19 because it had been seen as inadequate given the significance of the volume of public spending that takes place through the public procurement system. Two of the three dimensions also proved difficult to rate consistently. PI-19 has been made more comprehensive in examining the strength, operation and openness of a national procurement system, by adding a fourth dimension and completely reformulating the other three to reflect and provide linkages to the OECD-DAC 'Methodology for Assessing Procurement Systems' (MAPS) tool. The revised PI-19 draws on information collected as part of a MAPS exercise, or, if none has been recently completed, guides PEFA Assessors to appropriate sources of information and evidence by referring to the MAPS documentation.

The fourth dimension lays out multiple requirements for an independent administrative procurement complaints system. While some of these requirements were present, or implied in the previous version used in the 2007 assessment, the revised text included in dimension (iv) is more complete and more explicit.

The Gambia Public procurement system has followed a reform process since 2000. In 1998 the Gambia Government and the World Bank (WB) jointly conducted a Country Procurement Assessment (CPA). The assessment recommended actions to be taken to strengthen the public procurement system:

- A sound government wide procurement strategy to support the country's ability to deliver services;
- An effective public sector procurement system to influence both micro and macroeconomic efficiency;
- Procurement procedures that assure objectivity, fairness and transparency in the award of contracts. This enhances respect for public institutions and are a critical ingredients in avoiding the cause for allegations of corruption and enhancing government efficiency;
- Sound procurement practices to attract and absorb foreign investment and to participate in the growth of international trade.

These recommendations were adopted by the Government in part to support the Country's PRSP by establishing the critical elements for an improved resource management. The previous WB Capacity Building for Economic Management Project (CEBMP) had among its objectives capacity strengthening for public expenditure management, including procurement. The Gambia Public Procurement Act (PPA) was passed in 2001 and made effective in 2003. The Act provides a system to ensure:

- transparent, efficient and economic public procurement;
- accountability in public procurement;
- a fair opportunity for all prospective suppliers of goods, works and consultancy services;
- the prevention of fraud, corruption and other malpractices in public procurement and
- improvements in the social and economic capacity in The Gambia including providing opportunities for local small enterprises to participate in an economic manner as suppliers, contractors and subcontractors in public procurement.

The PPA established the Gambia Public Procurement Authority (GPPA). The GPPA role as an oversight Institution is clearly stated in Section 13 of the PPA as being an autonomous agency of the Government responsible for the regulation and monitoring of public procurement in The Gambia. The passage of the PPA marked the demise of a centralized public procurement system and its attendant institutional frameworks, namely the Major and Minor Tender Boards. The new public procurement system is decentralized-procuring organizations (i.e. government entities, project implementation units, statutory bodies, local government authorities and public enterprises) take full ownership of their respective procurements, while GPPA serves as the regulatory body. Decentralization requires procuring organisations to restructure their administrative and operational functions relative to procurement. To achieve this, Procuring Organizations shall establish “Contract Committees” and “Specialized Procurement Units” (Sections 47 to 52 of the Act). In 2014, a revised PPA was passed by the National Assembly and was assented by the President in October 2014. Key features of the revised Act are: eligibility of Government-owned enterprises; enforcement of fraud and corruption clauses in bidding documents; and independence of protest and complaints mechanism.

While a CFAA Assessment was undertaken in 2008 (and endorsed by the PEFA 2010), PI-19 was not assessed. There is no record as to the reason for which assessment of PI-19 did not occur. By not assessing PI-19 in 2008, The Gambia lost an opportunity to establish a baseline of procurement performance subsequent to the *WB Country Procurement Issues Paper (2005)* and also against which current performance could be assessed.

(i) Transparency, comprehensiveness and competition in the legal and regulatory framework

The legal and regulatory framework for procurement is organized hierarchically and precedence is clearly established, based on well-established and internationally agreed procurement standards. The framework consists at present of a Public Procurement Act 2014, Gambia Public Procurement Regulations 2003, Instructions 2003 and a comprehensive suite of Standard Bidding Documents (SBDs) and Forms.

The PPA applies to all procurement undertaken using Government funds (Section 20). The Act makes open competitive procurement the default method of procurement (Section 38). The PPA clearly defines the situations in which other methods can be used and the justification required as to their use (Sections 39 to 44). Grounds for the choice of a procurement method used must be noted in the record of proceedings (Section 45). Compliance of the recording of choice is confirmed during GPPA compliance reviews of procuring organisations and by external audit reports.

Public access to procurement information is provided for under the PPA as a function of the GPPA. It should be noted that tenderers are able to request debriefs. Section 32 refers and notices of tender awards are to be published. The PPA provides for an administrative procurement review process for handling procurement complaints by participants prior to contract signature. The PPA also provides for the conduct of bidders and suppliers. (For a detailed presentation of the legal provisions refer to the narrative part at dimensions (ii), (iii) and (iv) below).

Table 15. The legal and regulatory framework for procurement

Number of requirements met	The legal and regulatory framework for procurement		Availability
5 out of 6 requirements are met	*i.*	*Is organised hierarchically and precedence is clearly established.*	Y
	ii.	*Is freely and easily accessible to the public through appropriate means.*	Y
	iii.	*Applies to all procurement undertaken using government funds.*	Y
	iv.	*Makes open competitive procurement the default method of procurement and define clearly the situations in which other methods can be used and how this is to be justified.*	Y
	v.	*Provides for public access to all of the following procurement information: government procurement plans bidding opportunities, contract awards, and data on resolution of procurement complaints.*	N
	vi.	*Provides for an independent administrative procurement review process for handling procurement complaints by participants prior to contract signature.*	Y

(ii) Use of competitive procurement methods

As abovementioned, the PPA clearly establishes open competition as default method of procurement (Section 38). The PPA clearly defines the situations in which other methods can be used and the justification required as to their use (Sections 39 to 44). Grounds for the choice of a procurement method must be noted in the record of proceeding (Section 45). Compliance with regulations is assessed during GPPA compliance reviews of procuring organisations (POs) which are presented annually to National Assembly's PAC/PEC. Copies of these annualised compliance reviews are also forwarded to the MoFEA. Routine compliance reviews are equally undertaken by the NAO. In general, audit reports (see NAO Audit Report 2013) echoed a satisfactory compliance level with rules and regulations, but there were cases where the level of POs compliance raised serious concerns.

While GPPA is able to quantify the volume and quantum of procurement by various procurement methods, it is currently only able to do so for procurement that it is aware of. Nevertheless, GPPA was able to provide some quantitative data concerning just its own share in the total procurement during the past FY. Based on data supplied by the GPPA, in 2013 their procurement budget was approximately 5.50 billion GMD. 243 tenders were pre-reviewed by GPPA for an amount of GMD1.82 billion (around 33% of total CG procurement budget). In other words, two thirds of Government procurement is undertaken by the MDAs, outside the GPPA. So that the data provided by GPPA covers only one third of the procurement in The Gambia. Out the total tenders, the single source method was used in 37% of the cases; restricted tenders (31%); open tenders (17%) requests for quotation (13%); and requests for proposals (1%). Therefore, even though the open tender is the preferred option of the Government, in practice the mostly used method is actually less competitive, namely the single sourcing.

Last year, the GPPA received monthly reports from only 24 procurement/contracting authorities, out of a total of 198, representing around 0.21 Billion GMD (or less than 4 % of the procurement budget). The current breakdown of procurement done by GPPA by type in 2013 was the following: Goods: 78 %, Services: 20% Works: 2 %. In terms of ex-post compliance reviews, GPPA has audited a total of 63 Procuring Organisations (POs) in FY 2012, and of that amount 12 (or approximately 20%) were found non-compliant, with the remaining 51 found to be compliant. Preliminary data shows that 82 POs were audited during FY 2013 , while for FY 2014 GPPA targets 100 POs for audit.

(iii) Public access to complete, reliable and timely procurement information

Public access to procurement information is generally provided for under the PPA as a function of the GPPA [Section 12, Para 7 (I)]. Indeed, the GPPA uses its web site to provide access to information on procurement and procurement activities including the PPA, regulations, Instructions, Standard Bidding Documents (SBDs) and forms. Also tenderers are able to request debriefs (Section 32) and notices of tender awards are to be published (Section 34). The law also requires procuring organisations to make known, as soon as possible after the beginning of their budgetary year, by means of a public notice, the total procurement by product area and other relevant categories, which they envisage awarding during the subsequent twelve months (Regulation 4). In addition, the GPPA: (i) may issue instructions to supplement these regulations with administrative guidance on operational aspects of public procurement in The Gambia; (ii) may issue notifications concerning the issuance of instructions and other administrative decisions of general character are subject to publication in the local media and by other means including the Internet; and (iii) shall periodically issue an updated compilation of the main operating instructions and decisions governing public procurement bodies in carrying out procurement (Regulation 3). The GPPA shall devise and implement programmes aimed at assisting procuring organisations as well as bidders in conducting and participating in public procurement proceedings in The Gambia that shall include but not be limited to the following: (i) assisting in the dissemination of information to bidders about the rules and procedures governing public procurement and about procurement opportunities in The Gambia; (ii) developing proposals for methods of disseminating; and (iii) procurement-related information through the use of a procurement bulletin or other medium (Regulation 16). The GPPA shall establish and manage an electronic procurement marketplace (Regulation 23). Under Regulation 43 public notices shall be by publication of the invitation to bid (Regulation 4), in the local press, and, in the case of international tendering, also in accordance with Regulation 29 (2). In addition to the publication, the invitation to bid shall be broadcast on local radio and television and shall be displayed in the head office of the procuring organisation in a publicly accessible place.

GPPA lacks a proper information system to generate substantial and reliable data and information that covers key procurement information-government procurement plans, bidding opportunities, contract awards, and resolution of procurement awards) and the provided information is not produced systematically. The only information made public through appropriate means relates to the bidding opportunities.

(iv) Existence of an independent administrative procurement complaints system

Section 53 of the recently approved Public Procurement Act (2014) states that: "*There is established by this Act, a Complaints Review Board consisting of seven members to review decisions made by procuring organizations at any stage of the procurement proceedings*". This review Board shall comprise of legal and procurement experts from both the public and private sector and members should not involve in any capacity in procurement transaction transactions or in the process leading to contract award decisions. However, at the time of the assessment, the Board was established but not yet fully operational. Also, the procedure does not involve the existence and operation of an independent board.

Section 54 of the PPA (2014) identifies required procedures to follow when submitting complaints. The first step of the procedure is for an aggrieved bidder to apply for review by the head of the procuring organization prior to the entry into force of a contract; the second step (or in the first place, if the contract has entered into force) is to file a complaint with GPPA which is expected to make a decision (including overturning a decision wrongly made by the procuring organization) within specified time limits. This Section further provides for suspension of proceeding when a complaint is filed as stated on Sub-section 8 that: "*The timely submission of a challenge in accordance with deadlines set in this section suspends the procurement proceedings for a period of ten working days, and the suspension shall take effect on the filing of the application for review"*.

At present, the GPPA issues major part of its decisions within the timeframe set in the Act and no cost is attached to submitting a complaint. Decisions issued by the Board are binding as the complainant has a right to seek for judicial review if they are not satisfied with the decision of the Board. All criteria related to the existence and operations of an independent procurement body are satisfied. At the time of the assessment, the Board was established, but not yet operational.

Table 16: Complaints Review Board fulfilment of dimension (iv) criteria

Complaints are reviewed by an independent body which:		
(i)	*is comprised of experienced professionals, familiar with the legal framework for procurement, and includes members drawn from the private sector and civil society as well as government.*	Y
(ii)	*is not involved in any capacity in procurement transactions or in the process leading to contract award decisions.*	Y
(iii)	*does not charge fees that prohibit access by concerned parties.*	Y
(iv)	*follows processes for submission and resolution of complaints that are clearly defined and publicly available.*	Y
(v)	*exercises the authority to suspend the procurement process.*	Y
(vi)	*issues decisions within the timeframe specified in the rules/regulations.*	Y
(vii)	*issues decisions that are binding on all parties (without precluding subsequent access to an external higher authority).*	Y

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-19	Competition, value for money and controls in procurement	**NS**	**D+▲**	**Scoring Method M2**	**Scores are not comparable since the indicator was not assessed by the PA. Also, the methodology for PI-19 was revised in January 2011.**
(i)	Transparency, comprehensiveness and competition in the legal and regulatory framework	N/A	B	Five out of six requirements are met.	
(ii)	Use of competitive procurement methods	N/A	D	Based on the NAO audit report (2013), compliance is not always observed by a number of POs. Data provided by GPPA cover only one third of the procurement in The Gambia. The *single source* method was the main method and was used in 37% of the cases; while open tendering was used only in 17% of cases. GPPA has	

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
				audited a total of 63 POs in FY 2012: 12 or approximately 20% were found non-compliant with legislation, with the remaining 51 being compliant.	
(iii)	Public access to complete, reliable and timely procurement information	N/A	D	GPPA lacks an information system to generate accurate and reliable data that cover key procurement information (government procurement plans, bidding opportunities, contract awards, and resolution of procurement awards). Data provided is not produced systematically. The only key information made public through appropriate means relates to the bidding opportunities.	
(iv)	Existence of an independent administrative procurement complaints system	N/A	D▲	All PEFA related criteria are satisfied. At the time of the assessment, however, the Board was established, but not yet operational.	

Ongoing reforms

In the area of Public Procurement reforms are ongoing. They focus on the amendment of the Gambia Public Procurement Authority (GPPA) Act to incorporate the separation of policy and regulatory functions of the authority, to create an Independent Complaints Tribunal and strengthen the definition of sanctions and fines within the Public Finance Bill (PFB). The Bill was tabled at the National Assembly for enactment in 2014. In the same vein a Procurement Cadre will be introduced within the civil service, along with a robust capacity building initiative. The GPPA is presently developing a training plan for tenderers and contractors on the public procurement system which will assist in furthering knowledge and understanding of the procurement system with particular reference to the revised PPA (2014).The legislative and administrative changes will make public procurement simpler, transparent, and accountable with adequate checks and balances consistent with law and best practice. The actual progress made in the implementation of the reforms was however lower than anticipated, due particularly to capacity and financial constraints. The Gambian Government has received technical assistance support from international development partners to strengthen the Gambia public procurement system. GPPA is currently supported by an EU-funded TA to assist them to improve their information systems. This is anticipated to be able to provide specific more accurate data on the volume and quantum of procurement, including the use of open tendering compared to other procurement methods. EU is funding technical assistance team to assess progress on procurement reform in central government; contribute to supporting the implementation of the reform of the procurement legislative and institutional frameworks; provide capacity development training to increase procurement management capacity for supporting the integrity and transparency of the public procurement system; and to improve the GPPA information systems for procurement in line with IFMIS. In addition, the Gambian Government-and specifically the MoFEA and the GPPA-have sought long-term technical assistance from international development partners to strengthen the Gambia public procurement system. The EU will provide long-term support to the GPPA from January 2015 for a period of two years. The AfDB has also indicated that it will assist the GPPA to design long-term support from January 2016 for a period of up to three years.

3.4.8 PI-20 Effectiveness of internal controls for non-salary expenditure

This indicator assesses the internal control system for non-salary expenditures as at the time of assessment. It covers only the control of expenditure commitments and payment for goods and services, casual labour wages and discretionary staff allowances. The critical period is at the time of the assessment

(i) Effectiveness of expenditure commitment controls

CG financial management is run through the IFMIS. At present, IFMIS has been rolled out to all central government ministries; the next phase, beginning 2015 is to roll out IFMIS to all government departments and agencies, as well as the five administrative regions. Once the approved annual budget is uploaded unto IFMIS, expenditure commitments for all ministries are supposed to be made through the system. Ministries prepare and submit annual cash plans, updated on a rolling basis, to MoFEA, based on which monthly cash allocations are made for payment of expenditure. For commitments that are multi-annual, the actual certified payments for completed works are committed and paid through IFMIS. All line ministries process and post their transactions through IFMIS. A centralised payment system is used for generating cheques for payment of expenditures emanating from these lines ministries, direct to suppliers. The five regional administrations and other government departments and agencies that are not hooked unto IFMIS process their transactions manually and forward these transactions to the central payment office for payment to suppliers. The procurement process is initiated at the departmental or regional level, and transmitted to the central payment office for processing and payment, directly to suppliers; for other expenses such as fuel and other consumables, an imprest system is used. Officials have indicated that there are some commitments made outside IFMIS, even where the system has been rolled out to the ministry; this occurs when there is limited, delay or insufficient cash release from MoFEA. This accumulates into expenditure arrears that are later processed through IFMIS as and when cash is available. The CoA is a 43-digit coding system. Currently, the active functionality ensures financial reporting up to the sub-vote level, even though it is designed to accommodate reporting up to the sub-sub-vote level.

(ii) Comprehensiveness, relevance and understanding of other internal control rules/ procedures

A new Public Finance Bill (2014) has been passed by the NA to replace the GBMAA 2004; the new bill is awaiting Presidential assent. In addition to the GBMAA 2004, which provides the general legal and regulatory framework for expenditure control and management, the MoFEA has developed an accounting manual for central government financial management dated October 2006. Part 4 Sections 29 to 34 of the GBMA Act, 2004 and Part 4 Sections 29 to 34 of the new Public Finance Bill, 2014 respectively detail budget management procedures, responsibilities of accounting officers and reporting requirements. Chapters 7, 9 and 13 of the accounting manual outline expenditure management procedures, cash and bank management and reconciliation, and month-end reporting requirements and procedures respectively. Further, financial instructions (FI) for the implementation of GBMA Act 2004 have also been produced as part of the financial management procedures guide. The rules and procedures contained in the accounting manual and the FI are clear, comprehensive and useful for effective financial management. However, their understanding remains a challenge. Officials indicated that there is the need for continuous training programme for transaction processing officials and the public service at large, even though some form of induction training is provided for new entrants.

(iii) Degree of compliance with rules for processing and recording transactions

Interactions with officials suggest a high degree of compliance with rules and procedures for financial management. A more professional and independent assessment will be based on the findings contained on the Auditor-General reports on CG accounts. As of the time of producing this report, the 2012 and 2013 audited reports have not been concluded. However, a review of the unaudited financial statements for 2012 and 2013 reveals some level of non-compliance with particular reference to the non-acquittal of cash imprest to staff for official duties (see PI-22(ii)). Further, the Auditor-General reports in his 2011 annual report on the GoTG financial statements that, GMD 72.928 million of cash imprest was still unretired. Findings contained in the annual internal audit reports prepared by the IAD buttress the point regarding limited degree of compliance (see PI-21(iii)). The 2011 Auditor General report identifies a number of lapses in the financial management of public funds. For instance, misuse of the statutory contingency fund created under Article 154 of the 1997 Constitution. The contingency fund is for unforeseen expenditures or circumstances but for purposes of circumventing the laid down financial rules and regulations, officials resorted to using this fund for payment of normal expenditures, by so doing avoiding the necessary parliamentary approvals for supplementary expenditure payments.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-20	Effectiveness of internal controls for non-salary expenditure	**C+**	**C+**	Scoring Method M1	**No change.**
(i)	Effectiveness of expenditure commitment controls	B	B	IFMIS limits expenditure commitment to approved budget and actual cash allocated to each line ministry for most expenditures; there are other minor expenditure commitments made outside IFMIS .	No change; no other factors.
(ii)	Comprehensiveness, relevance and understanding of other internal control rules/ procedures	C	C	The accounting manual and the financial instructions provide comprehensive and simplified financial management procedures;	No change; no other factors.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
				however the level of understanding by transaction processing officials remains a challenge.	
(iii)	Degree of compliance with rules for processing and recording transactions	C	C	There is general compliance of rules and procedures but with some exceptions leading to non-acquittal of cash advance as well as re-occurrence of breaches in transaction processing	No change; no other factors.

Ongoing reforms

A new PFM bill has been passed by parliament dated March 2014; this new Bill has merged the erstwhile GMBAA 2004 and the Loans Act 1970. It should however be noted that this new Act is yet to receive Presidential Assent to make it fully operational. The second phase of IFMIS has an element of electronic transfer system that will ensure direct payment transfer to suppliers.

3.4.9 PI-21 Effectiveness of internal audit

This indicator assesses the effectiveness of the internal audit system (as opposed to control activities) based on the latest available financial and operational information.

A key feature of the internal audit function in The Gambia is that it remains a directorate of MoFEA. Section 4(d) of the GBMAA, 2004, places the responsibility of internal functions with the MoFEA, to be spearheaded by the PS. In addition to the GMBAA, MoFEA has a GoTG Accounting Manual: chapter 14 outlines the functions of the internal auditor. Parliament has enacted a new Public Finance Bill, 2014 (this will replace the GBMAA, 2004). Part 7, Sections 69 to 71, outlines the legal framework for internal audit, the establishment of the IAD, functions of the internal auditor and the functions of the internal audit committee.

(i) Coverage and quality of the internal audit function

At present, internal audit is centralised within MoFEA. The directorate has 12 internal auditors including the Director: these numbers of staff serve the entire CG MDAs, which is clearly inadequate. There is no internal audit unit in each MDA. The directorate has administrative and functional responsibilities towards MoFEA and the Audit Committee respectively. There is an internal audit manual, which is new, dated June 2014. The manual is compliant with International Standards for Professional Practice of Internal Auditing (ISPPIA) Standards issued by the Institute of Internal Auditors (IIA). In addition to the manual, there is an internal audit charter approved by cabinet. Currently, it is at the legislature awaiting parliamentary approval. A number of salient functions are covered in the final draft internal audit charter, including, but not limited to, scope of internal audit, reporting procedures, responsibility of stakeholders, establishment & organisation of internal audit in MDAs, coordination between internal audit function and the NAO, standards & due professional care. Further, the directorate prepares an annual internal audit work plan covering all ministries (about 22) but not all departments and agencies.

Due to insufficient human capacity, preference is given to high risk audit areas and MDAs such as MoBSE, MoTWI, Ministry of Foreign Affairs, Ministry of Agriculture, Ministry of Basic and Secondary Education, Ministry of Finance, Ministry of Interior, just to mention a few. The coverage of internal audit is between 70% and 80% of central government operations, considerably consuming about 80% staff time on compliance audit.

Internal audit function, at the present stage, is an ex-post function. The majority of its functions are on compliance audit with about 80% of staff time spent on compliance audit. Some systems audit is carried out particularly with the GRA. System reports from IFMIS Epicor 9 are generated from which some ex-post audit is carried out referencing systems functionality.

(ii) Frequency and distribution of reports

Available evidence suggests internal audit reports are prepared annually, or according to the annual internal audit work plan. Officials however indicated that quarterly audit committee meetings take place to review progress of recommendations on both external and internal audit findings and implementation of actions thereon. The final draft internal audit charter outlines the procedure for distribution and recipients of internal audit reports; copies are supposed to be submitted to the PS of MoFEA, the Accounting Office and management of the audited entity, the audit committee, the Auditor General, the Director of the National Treasury. The current practice is that a copy each of the annual internal audit report is given to the PS of MoFEA, the Accounting Officer who is the PS of the audited entity, the Auditor General and the Audit Committee.

(iii) Extent of management response to internal audit findings

The internal audit reports prepared by the IAD proffer recommendations on audit findings that require management action with support from the established and functional audit committees. Audit committee consist of 5 members, the majority of whom are retired public servants. A review of the 2013 annual internal audit reports revealed a number of shortcomings in the audited institutions. Amongst them were the : (i) non-existence of procurement contract committees (high risk); (ii) non-existence of request for quotations to suppliers (medium risk); (iii) no approval or signing of goods received notes (medium risk); (iv) unapproved payment vouchers (high risk); (v) contract awards to unregistered suppliers (medium risk); (vi) unbanked cash collections (high risk) and (vii) delays in cash lodgement into the bank (high risk). Available evidence further suggests that it takes between 3 to 8 months to finalise annual internal audit reports. Even though the reports provide recommended timelines for action plan on audit findings, little or no evidence exists to suggest actual implementation of recommended actions. Officials have confirmed the high incidence of unretired official cash advance or imprest to staff for official duties; there are however, instances of manual retirement of imprest with all accompanying receipts and documents but these remain unretired in the IFMIS.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-21	Effectiveness of internal audit	**D**	**D+**	Scoring Method M1	**There is improvement in the overall score and performance due to improvement in dimensions (i) and (ii).**
(i)	Coverage and quality of the internal audit function	D	C	Internal audit functions are centralised at the present stage with	There is improvement in performance due to the creation and a

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
				limited human capacity. Most of its functions are ex post and on compliance audit, which takes 80% of staff time. Annual work plans are prepared and there is an audit manual that meets IIA standards	functional centralised internal audit directorate under MoFEA. No other factors.
(ii)	Frequency and distribution of reports	D	B	Internal audit reports are prepared annually for audited entities in accordance with the annual approved audit work plan. Copies are sent to the Auditor General, the PS of MoFEA, the PS (Accounting Officer) of the audited entity, and the Audit Committee.	There is improvement in performance since the establishment of a functional centralised internal audit directorate has resulted in the preparation of at least annual internal audit reports, which were non-existent during the last CFAA/PEFA mission in 2008. No other factors.
(iii)	Extent of management response to internal audit findings	D	D▲	Recommendations are issued by the directorate of internal audit to audited entities; even though management provided responses and timelines for actions, little evidence exist to suggest major issues are addressed by management, nonetheless there are indications of improvement but insufficient to warrant a significant change in score	There are signs of improvements but insufficient to warrant a change in score from D to C. No other factors.

Ongoing reforms

As part of the PFM reforms, plans are far advanced to acquire internal audit software known as the Computer Assisted Audit Technique (CAAT) to be used in the IFMIS environment. Further, the IAD intends to rollout and create internal audit units in each MDA within the next 3 to 5 years beginning 2015. In view of this, additional manpower will be required for which it has applied to the Personnel Management Office (PMO) for approval to recruit additional labour. Training of existing and new personnel is also planned, as well as a bigger office space to accommodate the expected increase in human resources.

3.5 Accounting, recording and reporting

3.5.1 PI-22 Timeliness and regularity of accounts reconciliation

This indicator assesses the overall reconciliation and clearance process of central government bank accounts and other accounting information related to suspense accounts and advances (travel advances, construction advances, operational imprests, other). This indicator assesses the situation as at the time of the assessment.

(i) Regularity of bank reconciliations

Section 14 of the GBMAA, 2004 stipulates that no person or MDA shall open either a foreign or a domestic bank account without the prior approval of the Director of National Treasury (Accountant General) in consultation with the PS of the MoFEA. Further, Section 45(2)(d) criminalises the offence punishable by law. There are six main government bank accounts held by the CBG. These are:

- The Treasury Main Account
- The Special Project Account (basket fund for donors)
- The Special Deposit Account
- The Consolidated Revenue Account
- Internally Generated Fund (own revenue) Account
- The Special Dollar Account

The TSA is not yet operational in The Gambia. There are sub-accounts of the Treasury Main Account numbering up to 20, all held at the Central Bank, for MDAs. Also in existence are 5 commercial bank accounts held by the Trust Bank of Gambia which are used as operating bank accounts for the five administrative regions in The Gambia. Officials of the Central Bank indicated that there about 500 project accounts, all for various donor projects.

At present, the bank reconciliation module of the IFMIS platform provides an online real time access (known as T24) to the Central Bank database that allows daily access for bank statements for all the six main accounts managed by the Treasury. Within a month after the end of the preceding month, bank statements are obtained from the Trust Bank referencing the operation accounts for the five administrative regions for bank reconciliation. The DNT does not obtain regular information on all the donor project bank accounts for monthly reconciliation purposes. Also, bank balance positions of public entities are unknown.

(ii) Regularity of reconciliation and clearance of suspense accounts and advances

Suspense accounts are clearance accounts for transactions that remain uncertain and un-reconciled. Advances are cash imprests to staff for official duties. These two accounts are usually abused by officials and remain un-cleared for excessively long time. There is no legal framework mandating the Minister of Finance and Economic Affairs or the Accounting Officer in any MDA to surcharge or with-hold the salary of a public servant who fails to retire his/her imprest. In 2013, a total of GMD 118.997 million was still outstanding as unretired imprest as per the annual financial statement of the Consolidated Fund (unaudited), from a total of GMD 89.8 million in 2012. This represents an increase of 32.5% over the 2012 unretired imprest. According to the 2011 Auditor-General report, GMD 72.928 million was still outstanding as unretired imprest. Net salary suspense has increased from GMD 1.273 million in 2011 to GMD 1.453 million in 2012. This figure has seen a substantial increase to GMD 9.987 million in 2013, representing about 587% higher than the 2012 suspense figure. Even though the suspense and advance accounts are reconciled within two months after the end of the FY, there remain balances un-cleared.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-22	Timeliness and regularity of accounts reconciliation	**C**	**C+**	Scoring Method M2	**Performance has improved due to improvement in dimension (i).**
(i)	Regularity of bank reconciliations	C	B	Reconciliation of all treasury managed bank accounts takes place within a month after the end of the preceding month. There is no monthly information on the multiplicity of donor project bank accounts; the bank balance position of public entities is not known.	Performance has improved. Interface between IFMIS bank reconciliation module and the Central Bank platform has improved bank reconciliations. No other factors.
(ii)	Regularity of reconciliation and clearance of suspense accounts and advances	C	C	Reconciliation and clearance of suspense and advance accounts take place within 8 weeks after 31st December each year but there still remain un-cleared balances brought forward.	No change. No other factors.

Ongoing reforms

It is envisaged to extend the IFMIS bank reconciliation platform to all donor funded projects for purposes of easy and timely bank reconciliation of donor project accounts

3.5.2 PI-23 Availability of information on resources received by service delivery units

This indicator assesses the extent to which the PFM systems effectively support front-line service delivery (i.e. schools and primary health care centres) through providing information on transfer of resources to the units (in cash or in kind) vis-à-vis the budget estimates. The assessment covers the last three years before the Assessment (i.e. the period mid-September/mid-November 2011, to mid-September/mid-November 2014).

The CoA provides financial information up to the sub-vote level; it has a functionality to capture information up to the sub-sub-vote level. It does not provide cost code up to the level of primary service delivery units such as basis schools or clinics. Officials of the MoHSW intimated that the last Public Expenditure Tracking Survey (PETS) conducted in the health sector was in 2001. This survey has been replaced using bespoke software, which culminated into the first National Health Accounts (NHA) report released in 2007 with data from FY2003, FY2004 and FY2005. The second NHA report, using data from FY 2011, FY2012, and FY2013 is at the draft stage; a copy of the draft report was viewed. The draft report provides resources on primary, secondary and tertiary health services. For primary healthcare for instance, a total of GMD 66.33 million was spent under community health over the three years under review. MoBSE, on the other hand, did conduct a PETS. However this dates back to 2010. It is known as The Gambia Education Country Status Report and was financed by the World Bank and UNESCO. MoBSE is in the process of gathering initial data to prepare the second Education Country Status Report, covering FYs 2011- 2013.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score Scoring Method M1	Performance change and other factors
PI-23	Availability of information on resources received by service delivery units	**D**	**C▲**	MoHSW uses bespoke software to track resources received by primary healthcare centres. A report known as the NHA is generated at least once every three years. The last report for 2014 is at the draft stage and covers FY2011, FY2012 and FY2013. MoBSE is now gathering data for the second Education Country Status Report, which will cover the past three years. The upward arrow reflects this development.	**Performance has improved.** There was no comprehensive data on resources to primary service delivery unit during the PA.

Ongoing Reforms

As abovementioned, MoBSE is in the process of gathering initial data to prepare the second *Education Country Status* Report.

3.5.3 PI-24 Quality and timeliness of in-year budget reports

This indicator assesses the ability to produce accurate and comprehensive reports from the accounting system on all aspects of the budget, at both the commitment and the payment stage. The assessment is based on the last completed FY: FY 2013.

The GBMAA, 2004 provides the legal framework for in-year budget reporting. Section 40 mandates all vote controllers (accounting officers) in each MDA to prepare and submit within five days after month end, a report on income and expenditure relating to that MDA to the MoFEA.

(i) Scope of reports in terms of coverage and compatibility with budget estimates

In-year budget reports are generated from IFMIS. CG ministries are directly connected to IFMIS: this enables easy transaction processing. The in-year budget execution reports are consistent and compatible with the annual budget estimates up to the sub-vote level and allow easy financial and statistical analysis. The reports provide information on approved budget estimates, allocated cash, expenditure to date, monthly expenditure, outstanding commitment, total expenditure and cash balance to date, as well as balance of approved budget. Further, the reports indicate variance analysis regarding total expenditure as a percentage of total cash allocated, and total expenditure as a percentage of approved budget estimates.

(ii) Timeliness of the issue of reports

The rollout of IFMIS to all central government ministries has significantly improved CG in-year budget reporting. Central government departments and agencies as well as the five administrative regions that are not connected to IFMIS use the central payment office

(CPO) system. Transactions are processed in each of these departments and agencies, as well as the five administrative regions manually, and forwarded to the central payment office, where cheques are written to beneficiary suppliers. For transactions on imprest system such as fuel, transfers are made to these agencies for payment of itemised expenditure. Within a month after the end of the preceding month, in-year budget execution reports are prepared for management use. Officials indicated that these reports could be produced and distributed on official request to interested stakeholders. Line ministries have direct access to IFMIS; these ministries generate in-year reports pertaining to their ministry for management use

(iii) Quality of information

As part of the quality control for financial information, there are three levels of data processing within IFMIS. First, the entry clerk level - where transactions are captured daily into IFMIS; then, the checking/reviewing level - where each transaction is checked and saved; and the account preparation level - where reconciliations are carried out before generating the trial balance for the preparation of in-year reports and annual financial statements. For all other transactions that are processed from the central payment office (CPO), they are captured onto IFMIS regularly and go through the same quality control system. In spite of these measures, there are some issues relating to completeness and data quality. For instance, there are salary suspense accounts, which have not been fully reconciled for financial years 2011, 2012 and 2013 (See PI-22(ii)). Reference is also made to the annual audit report of the Auditor General for the FY 2011; concerns have been raised regarding data accuracy due to either non-availability of supporting documentation or the exclusion of some receipts and payments of some government funds from the annual financial statements. A case in question was the exclusion of GMD 796,879 (government funds held in commercial banks) from the 2011 annual financial statement. That said, the general usefulness of the financial information is not undermined by these data concerns.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-24	Quality and timeliness of in-year budget reports	**B+**	**B+**	Scoring Method M1	**No change in overall score, yet performance has improved due to performance improvement under dimension (i).**
(i)	Scope of reports in terms of coverage and compatibility with budget estimates	B	A	In-year budget execution reports are prepared, consistent and compatible with budget estimates that allow for easy financial and statistical analysis up to the sub-vote level. The reports show expenditure both at commitment and payment level.	Performance has improved. No other factors.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
(ii)	Timeliness of the issue of reports	A	A	In-year budget execution reports are prepared within a month after the end of the preceding month. Line ministries have direct access to IFMIS; they generate and print these reports for management use.	No change. No other factors.
(iii)	Quality of information	B	B	There are concerns about the accuracy of financial data. These are usually highlighted especially by the Auditor-General; however these concerns do not affect the usefulness of the financial information.	No change. No other factors.

Ongoing reforms

No reforms identified.

3.5.4 PI-25 Quality and timeliness of annual financial statements

This indicator assesses the ability to prepare year-end financial statements in a timely fashion. The assessment of the first dimension focuses on the last annual financial statement provided. The assessment of the second dimension focuses on the last annual financial statement submitted for audit (except for a "D" rating, where the critical period is three years). The assessment of the third dimension focuses on the last three years' financial statements.

Section 41(3) of the GMBAA, 2004 provides the legal and regulatory framework for the preparation and submission of annual financial statement by the MoFEA to the NAO for external audit. Section 42 outlines the content of annual financial statements, which should include a statement of revenue and expenditure, public debt, government guarantees and loans, revenue arrears, investments and a report on virements across votes.

(i) Completeness of the financial statements

Table 3.20 below summarises the content of the consolidated annual financial statement for the year ended 31st December 2013. As illustrated in the table below, the financial statement is quite comprehensive: it provides information on actual revenue collected categorised into tax and non-tax, grants and internally generated revenue (own revenue) from government ministries, departments and agencies. It also provides information on actual expenditure categorised into staff remuneration, goods and services, and transfers to statutory bodies and funds. Information provided on assets and liabilities include cash/bank balances and advances (loans to staff or other government institutions), and information on domestic public debt and amount due to statutory funds. The financial statement however does not provide information on revenue and expenditure arrears as well as receivables on loans to public entities and equity investments. In addition, not all donor funds are captured into IFMIS. Cash accounting basis is used: this allows for providing additional information on arrears and other investments (see PI-25(iii) below). It should be noted that consolidated financial statements prepared by the DNT are only an aggregation or amalgamation of transactions emanating from MDAs. A consolidated financial statement, in a technical sense, requires the netting off a transaction between two or more entities to arrive at the real and actual financial position at a particular time.

Table 3.3: Information Contained in the Consolidated Annual Financial Statements

Financial heading	Sub-financial heading	Presence in Financial Statements
Revenue	Direct tax	Yes
	Indirect tax	Yes
	Non-tax revenue (incl. IGF)	Yes
	Grants	Yes
Expenditure & transfers	Personnel Emolument	Yes
	Administration	Yes
	Service	Yes
	Investments	Yes
	Statutory payments	Yes
	Subsidies & Transfers	Yes
	Retained IGF	No
	DP funded projects	Yes
Assets	Cash & Bank balances	Yes
	Advances	Yes
	Public loans (receivable)	Not explicit
	Equity & other investments	Not explicit
	Revenue arrears	No
Liabilities	Public debts (domestic)	Yes
	Public debts (foreign)	No
	Statutory obligations	Yes
	Expenditure arrears	No

(ii) Timeliness of submission of the financial statements

Section 41(3) of the GMBAA, 2004 mandates the Ministry of Finance and Economic Affairs to prepare a "consolidated" financial statement and submit it to the Auditor-General for external audit on or before 31st March after the end of the preceding FY. Table 3.21 below shows the actual submission dates of annual financial statements for the last three completed FYs: 2011, 2012, and 2013. As illustrated in the table below, annual financial statements were submitted between 9 and 12 months after the end of the financial year. For financial statement for FY 2013, which is the critical period for assessing this indicator, it was submitted for external audit on 4th September 2014, which is 9 months after the end of the financial year.

Table 3.4 Timeliness of Submission of Annual Financial Statements by Accountant General to NAO

Financial Year	Financial Statements for:	Date of Submission to NAO
FY2011	Consolidated Fund	20th December 2012[64]
FY2012	Consolidated Fund	12th December 2013[65]
FY2013	Consolidated Fund	4th September 2014[66]

(iii) Accounting standards used

Over the last three completed FYs (2011, 2012 and 2013), financial statements of the CG have been prepared using the International Public Sector Accounting Standards (IPSAS) cash basis. All three past financial statements state that they adhere to IPSAS cash,

[64] Submission letter for 2011 annual financial statements with reference EMC120/258/01(A-J)
[65] Submission letter for 2012 annual financial statements with reference EMC120/258/01(MC)
[66] Submission letter for 2013 annual financial statements with reference EMC120/158/01(A.J)

which have been consistently used over the period under review. The IPSAS cash basis of accounting requires that transactions be recognised only when actual cash or cash equivalent changes hands (received or paid). It further makes provision that notes to the financial statements may state additional information on capital assets, liabilities, financial assets and investments.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-25	Quality and timeliness of annual financial statements	**D+**	**C+**	Scoring Method M1	**Performance has improved due to improvements in dimensions (i) and (iii).**
(i)	Completeness of the financial statements	D	C	The DNT prepares a consolidated (aggregated) financial statement each year during the assessment period. Even though information on revenue, expenditure, financial assets and liabilities are not complete, they do not significantly affect the usefulness of the accounts.	Performance has improved. No other factors.
(ii)	Timeliness submission of the financial statements	B	B	Annual financial statement for FY2013 was submitted within 10 (i.e. after 9) months after the end of the FY.	**No change in performance.**
(iii)	Accounting standards used	D	B	IPSAS cash accounting standards are used. Adherence to the standards is disclosed in the statements and the standards are consistently applied over time.	**Performance has improved.** No other factors.

Ongoing reforms

Officials indicated that efforts are underway to move to IPSAS accrual accounting standards.

3.6 External scrutiny and audit

3.6.1 PI-26 Scope, nature and follow-up of external audit

The assessment focuses on the last audited FY: FY 2013. It examines the quality of the external audit, which comprises the scope and coverage of the audit, adherence to appropriate audit standards (including independence of the Auditor-General and the National Audit Office), systemic and performance audit of the full range of financial audit such as reliability of financial statements, regularity of transactions and functioning of internal control and procurement systems, among others. The assessment covers CG institutions including all MDAs and AGAs, and extra-budgetary funds (if existing).

(i) Scope/nature of audit performed

In addition to the constitutional provisions of the 1997 Constitution establishing the Auditor-General and his office, the Finance and Audit Act of 1964 regulates the activities of the audit service. The NAO of The Gambia is a department under the Office of The President in accordance with the 1997 Constitution. As detailed in the table below, the independence of the Auditor-General and the NAO is severely undermined by the fact that, apart from being a department under the Presidency, it has no financial autonomy. Even though the remuneration of the Auditor-General is a direct charge on the Consolidated Fund, the operational budget of the NAO, once prepared, is submitted to Office of the President and forwarded to the MoFEA for scrutiny and approval, which in most cases results in budget cuts, thereby affecting operational efficiency. The appointment of the staff of the NAO is regulated by the Public Service Act under the supervision of the PSC: this practice affects staff remuneration, which is low in the public service, resulting in low staff morale and high staff turnover. Currently, the NAO has 40 technical staff including the Auditor-General, thereby seriously impacting negatively on delivery.

Audit work currently covers about 75% of central government expenditure. The Constitution permits outsourcing of external audit to private audit firms, and this in many instances has assisted in performing statutory audit of sub-vented government agencies. External audits are largely financial audit, with limited systemic focus. The National Audit Office is yet to carry out any performance audit; this arose due to lack of human capacity and capability. The office has recently trained 10 technical audit staff in performance audit, hoping to begin in 2015. Generally, the audit reports adhere to INTOSAI standards, except for those outlined in the table below. An AFROSAI-E audit manual exists: it is dated 2010. Key content of the audit manual include pre-engagement activities, strategic planning, detailed planning, audit fieldwork, audit conclusions and reporting, audit documentation and quality control and audit of small entities, among others.

INTOSAI Standards	Adherence of external audit practices to INTOSAI standards
Auditor-General's Independence i.e. appointment, termination, salary	The President, in consultation with the PSC, appoints the Auditor-General under Article 158(2) of the 1997 Constitution. Article 156 of the Constitution states that the remuneration of the Auditor General shall be a direct charge on the Consolidated Fund. Article 158(4) states that upon attaining the compulsory retirement age, he/she shall vacate his/her post. It further says his/her appointment can be terminated by the President in the event of inability to perform his/her functions, misconduct or incompetence. However, the Constitution does not mention the setting up of a judicial tribunal to determine misconduct or incompetence prior to the termination of his/her appointment.
Financial Independence of National Audit Office (NAO) and	The annual budget estimates of the NAO are prepared and presented to the President where he may comment but without amendments, and submit them to the National Assembly through the Minister of Finance and Economic Affairs (See Article 159(4) of

INTOSAI Standards	Adherence of external audit practices to INTOSAI standards
Staffing Arrangements	the Constitution). Article 159(2) mandates the Auditor-General to appoint his/her staff but in consultation with the PSC.
Access to Public Records	The Auditor-General or his/her authorised staff has the power under Article 160(4) of the 1997 Constitution to have full access to public records in the course of his/her audit work.
Independence in Preparation of Annual Audit Work Plan	Although not explicitly stated, it is implied under Article 160(7) of the Constitution, which states that the Auditor-General shall not be subject to control from any person or authority, including the preparation of audit work plans. Nonetheless, the head of a public entity or government body may request the Auditor-General to carry out special audits of a project, programme or institution.

(ii) Timeliness of submission of audit reports to legislature

Significant effort and success have been made by the government in terms of preparing and submitting annual financial statement for external audit by the Auditor-General. After a decade of backlog, annual financial statements have been prepared and submitted to the NAO for external audit. The most current audit report is the 2011 Auditor-General's report completed in May 2014 and submitted to the legislature on 17th July 2014. It should be noted that even thought the annual financial statements for FY 2012[67] and FY 2013[68] have been submitted to the National Audit Office for external audit, their audit is yet to be completed and they are yet to be submitted to the NA. Table 3.23 below summarises the timeliness of submission of audit reports to the NA. The FY 2013 financial statements for public entities are yet to be audited and submitted to the National Assembly.

Table 3.5 Schedule of date of receipts of Audited Reports by Parliament

Name of Audit Report	Date of receipt by Parliament		
	2011	2012	2013
Auditor General report on financial statement of GoTG	17th July 2014	Not yet received	Not yet received
PEs	29th June 2012	28th June 2013	Not yet received

(iii) Evidence of follow up on audit recommendations

Officials of the NAO indicated that there has been improvement referencing executive action on audit recommendations, to the extent that the President of The Gambia has set up a taskforce chaired by the Minister of Justice to oversee the implementation of audit recommendations. Heads of some public institutions have been dismissed as a result of executive action, due to financial malpractices. Officials have also indicated that executive action on central government audit recommendations delays and usually do not occur. Available evidence in the 2011 Auditor-General's report on central government indicates audit findings and recommendations thereon, for executive action. The report, however, does not provide a chapter or a summary on executive actions on previous year(s) recommendation that needed remedial actions. A summary chapter on status of audit recommendations will usually include previous year's recommendations, status of executive action taken, timelines for implementation and stakeholder(s) involved. Given that the audit reports for FYs 2012 and 2013 are yet to completed by the NAO, it was not possible to ascertain the level of executive actions on previous year's audit recommendations.

[67] Submitted to NAO on 12th December 2013.
[68] Submitted to NAO on 4th September 2014.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-26	Scope, nature and follow-up of external audit	**D+**	**D+**	Scoring Method M1	**No main performance change although there are signs of improvement in dimension (iii).**
(i)	Scope/nature of audit performed (incl. adherence to auditing standards)	C	C	At least 75% of central government operations are audited annually. The audits are largely financial audits with little focus on systemic issues. The NAO is yet to carry out performance audits, due to lack of human capacity and capability.	No change. No other factors.
(ii)	Timeliness of submission of audit reports to the legislature	D	D	FY2012 and FY2013 audit reports of the Auditor-General have not been submitted to the National Assembly. Financial statements for public entities for the FY2013 have not yet been audited by the Auditor-General.	No change. No other factors.
(iii)	Evidence of follow-up on audit recommendations	D	D▲	Audit recommendations are made but there is little evidence of executive action and follow up. Officials have indicated the strongest political will regarding implementation of audit recommendations.	There are indications of improvement in terms of executive action on audit findings, manifested by political will at the highest level. However this does not warrant a change in score. No other factors.

Ongoing reforms

A new audit bill has been drafted: it has been submitted to cabinet for review and approval. Officials of the NAO indicated that the draft audit bill has gone through the first cabinet reading. The second and final reading and scrutiny is expected to take place before 31st December 2014. Once approved, it will be presented to Parliament for the necessary legislative approval. Some of the main provisions of the new audit bill include but not limited to staffing arrangement (to be independent from the control of the PSC) and some level of financial independence.

3.6.2 PI-27 Legislative scrutiny of the annual budget law

(i) Scope of the legislature's scrutiny

The National Assembly members and the Committee of Supply analyse the budget documentation that is sent to them by the MoFEA. They analyse the draft estimates of revenue and expenditure: these are formulated at a detailed level. Moreover, revenue and expenditure are classified by economic category and by collecting or budget agency respectively. Expenditure is also classified by 14 functions of Government (ref. PI-5). The scrutiny by the National Assembly and by the Committee is undertaken at the detailed level also. PI-6 has assessed the information that is included in the budget documentation sent to the National Assembly. The Committee members and the National Assembly Members also call on additional expert assistance to analyse the budget. For the examination of the FY 2014 Budget, prior to the consideration of the Budget by the Committee of Supply, an "Analysis Retreat" was organised for National Assembly Members, during which the budget estimates were thoroughly analysed with the assistance of external technical experts. The retreat was also attended by representatives of Civil Society Organisations, such as PROPAG.

As assessed under PI-6, however, most of the information related to fiscal policy is included in the budget speech. It is the speech that outlines the macroeconomic assumptions underlining the budget, new revenue measures, information on new developments by sector and more generally fiscal policy issues. The Budget Speech is delivered on the day in which the Bill is to be passed (December 19, 2013 for the FY 2014 budget), and, although a written copy is also submitted, it is not sent to the National Assembly in advance, but on the same day in which the speech is delivered, or at times even the following day. Thus, National Assembly and Committee Members receive most of the information on fiscal policy at the final stage of the examination process, or even once the examination process has ended. For the FY 2014 Budget, the budget scrutiny process ended with the approval of the budget estimates on December 10, 2013, before the budget speech. Committee members interviewed in fact expressed the view that receiving more information on policy measures, including on new expenditure programs,[69] underlying the budget would be useful, and earlier in the budget review process. Medium-term priorities and forecasts are included in the BFP. The BFP, which is sent to Cabinet, is not submitted to the National Assembly. As a result, both more information on policy is not provided via the BFP, and also, the National Assembly reviews budget estimates for the coming year, but cannot review the medium-term priorities or the medium-term fiscal or budgetary framework.

The National Assembly has the power to ask the Executive to revise the budget proposals submitted. That said, the time allowed for the review of the budget is two weeks (see dimension (iii) below), and, as outlined under PI-11 (iii), the executive is to submit the budget proposal 30 days prior to the FY-end. The budget also has to be passed by the end of the FY. Thus, the legislature reviews the budget at a time when the detailed budget proposals have been finalized with little scope for timely revision, were the executive be asked to review the budget proposals.[70] The legislature also considers that its role is that of an oversight and scrutiny body, and not of a main actor in the budget formulation process, so that it has not often asked the executive to resubmit the budget.

[69] Ref.PI-6, information benchmark No. 9.

[70] The *FieldGuide,* under clarification *27-a* (and related "query/answer"), page 156, provides guidance on when this dimension should be scored "B" or "C" (assuming, as is the case in this Assessment, that the multi-year estimates are not submitted to Parliament). Query: "If the legislature's review covers fiscal policies and aggregates for the coming year as well as detailed estimates of expenditure and revenue, but only at a stage where detailed proposals have been finalized, is the score B or C?" Answer: "It is of very limited, if any, use to review the fiscal policies and aggregates at a time when the detailed budget proposals have been finalized with little scope for timely revision. The score "B" could be justified if there is so much time allowed from the submission of the budget proposals to the legislature until the deadline for final budget approval that the executive, on the basis of adjusted aggregates, is able to meaningfully revise the detailed proposals and timely re-submit the detailed budget proposals to the legislature. If this is not the case, the score would be a "C"."

In summary, the scope of the legislative scrutiny is restricted by the information that is submitted to the NA by MoFEA. The BFP, which includes the medium-term priorities and the medium-term forecasts, is not part of the budget documentation submitted to the NA (it is only submitted to Cabinet; ref. PI-11). Detailed estimates are submitted and reviewed, but at a stage in which these have been finalised. Moreover, most of the information on fiscal policy, if not all, is included in the budget speech, and not in the Estimates, with the budget speech being delivered to Parliament at the very end of the process, i.e. at the approval stage.

(ii) Extent to which the legislature's procedures are well-established and respected

There is a specialised committee for the review of external audit reports and the accounts of PEs: the PAC/PEC Committee. When the budget proposal is submitted by MoFEA, a Committee, which is a Committee of the whole National Assembly and not a specialised committee, is convened for a set amount of time (2 weeks or less, ref. dimension (iii) below), to review and approve the budget estimates and the appropriation bill (*Standing Orders of the NA*, sections 74 and 75). Section 28 of the GMBAA, provides for the National Assembly to appoint technical staff, temporarily or permanently, to assist in the examination of the budget, including research and analysis activities and collection of information. Additional external technical expertise is called upon to assist National Assembly Members to analyse the budget prior to the deliberations of the Committee of Supply. For the review of the FY 2014 Budget, technical experts were in fact invited to assist the Assembly to review the budget, during the "Analysis Retreat " mentioned under dimension (i) above.

The procedures for the review of the budget are detailed in the Constitution, in the GMBAA Act and in the NA Standing Orders. The procedures are respected, including for the review of the FY 2014 budget. They do not however include a specialised committee dedicated to the scrutiny of the budget and negotiation procedures.

(iii) Adequacy of time for the legislature to provide a response to budget proposals

Though the MoFEA has to submit the Budget proposal before the NA 30 days before the FY-end (also ref. PI-11), the Constitution also establishes that the NA has 14 days, from the date in which the budget proposals are laid before the NA, to review and approve the budget estimates (Constitution, Article 152(1)A). Once the estimates have been approved, the Appropriation Bill is to be introduced by the National Assembly and passed within 7 days (Constitution, Article 152(3)). Thus, the time allowed by the legal framework for the review of the detailed estimates is 2 weeks and an additional week is given to pass the Appropriation Bill. For the review of the FY 2014 budget, MoFEA submitted the budget estimates on November 20, 2013. These were however laid before the Assembly only on December 2; the budget estimates were reviewed between December 2 and 10, and approved on December 10. The appropriation bill was passed on Dec 19, i.e. 9 days after the approval of the estimates, but within 21 days from the laying of the budget before Assembly. For the FY 2014 budget, the scrutiny of the estimates by the NA lasted 8 days, and the period to examine the budget estimates and pass the Bill was less than 3 weeks altogether.[71] The National Assembly Members consulted during the Assessment mission also confirmed that the review of the budget, in line with the statutory requirements, has in previous FYs also taken 2 weeks, and the approval of the estimates and the bill together, 3 weeks.

(iv) Rules for in-year amendments to the budget without ex-ante approval by the legislature

The rules for the in-year amendments to the budget without ex-ante approval by the legislature are defined in the GMBAA Part V, sections 30 and 31.Section 31 clearly limit the in-year changes that the executive can make to the appropriated budget without prior

[71] The "Budget analysis" retreat took place within this time frame.

Parliamentary approval to those which do not imply an increase in the level of the total appropriated expenditure. Any expansion of total expenditure has to be approved through presenting a Supplementary Budget to Parliament.
In-year amendments without prior legislative approval are allowed through "virements". The rules for virements and supplementaries have been outlined in Box 16 above. Virements allow for substantive administrative reallocations. Section 30 (5) of the GMBAA grants the MoFEA permission to approve virements beyond the limits prescribed under section 4 (see Box 16). In practice, it grants the MOFEA permission to operate boundless reallocations provided that no transfers are made between Personal Emoluments and Other Charges and that total expenditure is not increased as a result of the transfers.

In FY 2013, the rules were respected both with regards to in-year transfers and the expansion of total expenditure. On the basis of the data in the accounts and IFMIS, the rules regarding the expansion of total expenditure compared to the originally approved budget, at the overall level, has been respected as a Supplementary budget was passed by the NA to authorise 300 million GMD of additional expenditure. Total overall actual expenditure in FY 2013 (ref.PI-1), as per the accounts and IFMIS, did not go beyond the sum of the overall originally approved expenditure plus the additional supplementary expenditure approved by Parliament. IFMIS does not allow to commit expenditure beyond the total appropriated amount[72] or transfers between Personal Emoluments and other charges; controls in IFMIS are set up to reflect part of the statutory limits. In-year transfers during FY 2013 have also respected the legal framework, as all were done with the MoFEA's approval and not between Personal Emoluments and Other charges.

As per the GMBAA section 42 (b), the annual accounts for FY 2013 also provide "details of revenues and expenditures according to the appropriation structure". In that respect, the NA is informed on the revisions operated during the year to the original budget, both via the virements and the supplementary. The expenditure statements in the annual accounts show details of the approved budget, the revised budget, the actual expenditure for the reporting year, and the percentage change of the revision in terms of the original budget. The revised budget refers to both the revisions implied by the virements and those implied by the supplementary. For FY 2013, the percentage change of the revision by budget entity is disclosed for development expenditure (by budget entity) but not for recurrent. The percentage change of the revision in terms of the original budget is provided for recurrent expenditure at the level of headings within the same budget entity. The revisions disclosed in the accounts by budget agency for development expenditure indicate that transfers have gone beyond 50% of the appropriation of the entity, and many of those by expenditure item for recurrent beyond 75%. Thus, although virements have respected statutory limits, given the wide freedom granted to MoFEA by GMBAA section 30(5), the accounts for FY 2013 and the findings of this Assessment found the extent of the reallocations made in FY 2013 to be very large. This practice is also contributing to the large expenditure composition variances established under PI-2.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-27	Legislative scrutiny of the annual budget law	**C+**	**D+**	Scoring Method M1	**No change in performance** as the change in the overall score is due to the change in the score for dimension (iii), which reflects a

[72] That said, meetings with Line Ministries (including MoTWI) and the DNT have suggested that expenditure for which no cash is available is being committed outside IFMIS (ref.PI-20), also leading to the accumulation of arrears over and above the official figure for the stock of arrears (ref.PI-4). Two recent IMF FAD report also raise similar concerns (IMF, FAD, *The Gambia, Medium-Term Expenditure Framework: Challenges and Reform Priorities,* April 2014; IMF, FAD, *The Gambia, Budget Execution: The Way Forward,* September 2014). For the purpose of PI-27 (iv) however, the rules have been respected.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
					different interpretation of the evidence by the two Assessments and not a change in performance.
(i)	Scope of the legislature's scrutiny	C	C	The legislature's review mainly covers the detailed estimates of revenue and expenditure and at a stage in which these have been finalised.	**No change in scores or performance.** Although a BFP, including medium-term policy priorities and forecasts, is now issued by MoFEA, it is not submitted to the NA. Fiscal policy information is provided through the budget speech, yet at the end of the review process. As a result, as per the 2010 Assessment, the NA's review is mainly focused on the detailed estimates of revenue and expenditure.
(ii)	Extent to which the legislature's procedures are well-established and respected	B	B	Simple procedures exist for the review of the budget and are respected.	**No change in score or performance.** No other factors.
(iii)	Adequacy of time for the legislature to provide a response to budget proposals (time allowed in practice for all stages combined)	C	D	The time allowed by the legal framework and the time taken in practice for the review of the budget estimates is 2 weeks, and 3 weeks are granted for the approval of the budget estimates and the Appropriation Bill (i.e. significantly less than a month).	**No change in performance**. In the period examined by the 2010 assessment, the legal provisions for budget scrutiny were the same as in 2014 and the time taken in practice also. The basis for rating the dimension "C" by the PA assessment appears uncertain: although in the text the PA assessed that the NA had only 2 weeks to review the budget, and 3 to approve it and the Appropriation Bill, it

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
					then seems to have attributed the score on the basis of PI-11 (iii) criteria and the fact that the Budget was submitted to the NA and approved before the end of the FY.
(iv)	Rules for in-year amendments to the budget without ex-ante approval by the legislature	B	B	Clear rules exist for in-year budget amendments by the executive, do not allow for an expansion of total expenditure, but allow extensive administrative reallocations. In FY 2013, the rules have been respected.	**No change in scores or performance.** No other factors. In 2008, as in 2014, the rules did not allow for a total expansion of expenditure without Parliamentary approval, yet allowed for significant administrative reallocations. The legal framework was in fact the same for the two assessments. Under both Assessments, the rules were respected.

Ongoing reforms

TA funded by the World Bank and the AfDB *(Institutional Support Project)* is ongoing to increase the capacity of National Assembly members to review the budget.

3.6.3 PI-28 Legislative scrutiny of external audit reports

The assessment of the first dimension is based on the audit reports submitted to legislature within the last three years, while the assessment of the other dimensions is based on the last 12 months, with a focus on both central government (including all MDAs) and AGAs.

(i) Timeliness of examination of audit reports by the legislature

It should be recognised that the Republic of The Gambia has come a long way referencing preparation of annual financial statements of CG, submission to the Auditor-General for external audit, and submission to the legislature for external scrutiny of the audited reports. A backlog of financial statements from 1999 to 2010 inclusive has been successfully completed and reviewed by the National Assembly. For instance, audited accounts and reports for three financial years 2008, 2009 and 2010 were all scrutinised in the 2013 parliamentary calendar. As indicated in Table 3.24 below, the Auditor-General's report on the consolidated fund was submitted to the National Assembly on 17th July

2014 due to be laid in House in October 2014, following which it will be referred to the Public Accounts Committee/Public Enterprises Committee (PAC/PEC) for thorough scrutiny. The backlog has negatively affected the completion of the 2012 and 2013 audits: the financial statements for the last two completed financial years 2012 and 2013 are still with the NAO and have not yet been submitted to the NA.

Table 3.6 Timeliness of Examination of Audit Reports by Parliament

	Receipt by Parliament	Laid in Parliament	Status at PAC/PEC level	PAC/PEC Reports laid in House	Motion adopted by Parliament
FY2011					
Audit report on Consolidated Fund	17th July 2014	October 2014[73]	Yet to be referred to PAC/PEC	Not laid in the House	Not yet adopted
FY2012					
Audit report on Consolidated Fund	Not submitted to parliament	Not laid	Not referred to PAC/PEC	Not laid in the House	Not yet adopted
FY2013					
Audit report on Consolidated Fund	Not submitted to parliament	Not laid	Not referred to PAC/PEC	Not laid in the House	Not yet adopted

(ii) Extent of hearings on key findings undertaken by the legislature

The PAC/PEC of the NA conducts extensive public hearings: both the print and electronic media cover the public hearings. The Minister of Finance and/or the PS of the MoFEA is always summoned to the public hearing, in addition to some heads of departments and agencies whose audit reports have been qualified with an adverse audit opinion. The Auditor-General or his authorised representative is equally invited during the public hearings. Three reports of PAC/PEC, relevant to the assessment period, were reviewed. There is clear evidence of public officials from MDAs and public entities summoned for public hearing. The PAC/PEC reports cover the following periods:

- 2011 Joint Session of the Public Accounts Committee/Public Enterprises Committee (for the sitting 3rd October 2011 to 31st January 2012) - report approved and adopted by National Assembly on 25th April 2012.
- 2012 Joint Session of the Public Accounts Committee/Public Enterprises Committee (for the sitting 1st October 2012 to 7th February 2013) - report approved and adopted by National Assembly on 8th April 2013.
- 2103 Joint Session of the Public Accounts Committee/Public Enterprises Committee (for the sitting 7th October 2013 to 27th February 2014) - report approved and adopted in May 2014.

(iii) Issuance of recommended actions by the legislature and implementation by the executive

In addition to the recommendations issued by the Auditor-General on the CG accounts, the Public Accounts Committee/Public Enterprises Committee (PAC/PEC) issues recommendations for remedial action to be taken by the executive. The 2011 report of the PAC/PEC outlined a number of broad policy issues and recommendations that have been consistently repeated in both the 2012 and 2013 PAC/PEC reports. These include, but are not limited to, the misuse of the contingency fund and the need to follow the appropriate legal procedures; the non-retirement of cash imprest requiring urgent

[73] Officials from the National Assembly indicated that the 2011 Auditor-General report was scheduled to be laid on 8th October 2014. It was not possible to check for evidence as at the time of finalising this report.

remedial action; the continuous use of sole-sourcing procurement methods without justification from the GPPA. These clearly show little or no executive action on PAC/PEC recommendations.

The National Assembly Members (NAMs) have indicated the strongest political will, spearheaded by the President of The Republic of The Gambia who has constituted an audit report/PAC report implementation committee chaired by the Minister of Justice. The committee is mandated to ensure full implementation of all recommendations issued by PAC/PEC. Nonetheless, the 2011 PAC/PEC report laments the continuous inaction by the executive on alleged fraud by some public officials who have been recommended for prosecutorial action. It should also be noted that there is no evidence to support the political commitment since the 2012 and 2013 reports from the Auditor-General have not been finalised to determine the level of executive action.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
PI-28	Legislative scrutiny of external audit reports	**D+**	**D+**	Scoring Method M1	No change in the overall score or performance, although there is improvement in dimension (ii) and there are signs of improvement in dimension (iii), as reflected by the upward arrow for dim. (iii).
(i)	Timeliness of examination of audit reports by legislature (for reports received within the last three years)	D	D	The 2011 Auditor General (AG) report on central government has been submitted to the legislature. The report is scheduled for consideration in October 2014. The 2012 and 2013 audit reports are being audited by the AG and have therefore not yet been submitted to parliament.	**There is no change in performance.** It should however be recognised that a huge backlog of audit reports have been considered and cleared by PAC/PEC from 1999 to 2010.
(ii)	Extent of hearings on key findings undertaken by legislature	C	B	Public hearings are conducted by PAC/PEC. These are covered by both the print and electronic media. Accounting officers and political heads of MDAs as well as heads of public entities with adverse audit opinion are summoned.	**Improvement in performance**. Not only MoFEA officials are invited for PAC/PEC hearing but officials of affected MDAs. First public hearing was held in 2007 with the invitation of some MDAs. No other factors.
(iii)	Issuance of recommended	C	C▲	The PAC/PEC issues	There are signs of improvement with

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
	actions by the legislature and implementation by the executive			recommendations for executive action, which have the full support of the President according to officials. However, the 2012 and 2013 audit reports from the Auditor General are yet to be submitted to the National Assembly; these will provide further evidence of executive action.	reference to political commitment; there is no further evidence (reports from Auditor-General to support this) and therefore does not warrant a change in score from "C" to "B".

Ongoing reforms

The PAC/PEC now conducts annual retreat and sensitisation workshops for the public on its reports. This is aimed at whipping public interest to hold government accountable.

3.7 Donor practices

3.7.1 D-1 Predictability of Direct Budget Support

This indicator assesses the predictability of actual disbursements of Direct Budget Support (DBS). The assessment of the first dimension is based on the annual disbursements compared to the forecasts provided by the donors ahead of the budget year, while the assessment of the second dimension relates to the quarterly disbursement schedule of actual budget support inflows compared to the agreed forecast disbursement plan. The assessment focuses on the last three financial years : FY 2011, FY 2012, and FY 2013.

(i) Deviation of actual budget support from the forecasts

Three multilateral institutions provide DBS to the GoTG: the World Bank for the IFMIS project, the AfDB for the Institutional Support for Economic and Financial Governance Project, and the UNDP for the Civil Service Reform Project. Total disbursements, as per audited financial statements, amounted to US$2.99million (equiv EUR 2.25million) for the World Bank project between FY2011 and FY2013. Whiles the UNDP disbursed US$0.475million (equiv EUR0.35million) over three years ending FY2013, the AfDB disbursed US$3.76million (equiv EUR2.86miilion) over a two-year period. Apart from the AfDB that provided forecast and actual disbursement figures (see Table 3.25 below), there was no available information on forecast figures from the World Bank and the UNDP, as at the time of drafting this report. The information is therefore insufficient to rate this dimension.

Table 3.7 DBS Performance for FYs 2011- 2013 (EUR, million)

AfDB	FY 2011		FY 2012		FY2013	
	Forecast	Disbursed	Forecast	Disbursed	Forecast	Disbursed
DBS amount	0.00	0.00	2.16	2.16	0.70	0.70
Annual Deviation	0.00		0.00		0.00	
Annual Deviation	0.0		0.0		0.0	

AfDB	FY 2011		FY 2012		FY2013	
(%)						
Sector BS amount	0.00	0.00	0.00	0.00	0.00	0.00
Annual Deviation	0.00		0.00		0.00	
Annual Deviation (%)	0.0		0.0		0.0	
Total BS amount	0.00	0.00	2.16	2.16	0.70	0.70
Annual Deviation	0.00		0.00		0.00	
Annual Deviation (%)	0.0		0.0		0.0	

(ii) In-year timeliness of donor disbursements

Available evidence and interactions with officials from MoFEA suggest that donors providing DBS do not indicate quarterly disbursement estimates to the government. Disbursements are based on triggers agreed in annual Performance Assessment Frameworks (PAFs) that have been met by the government. Some disbursements also operate on an imprest system; the next tranche very much dependent on the timely implementation, reporting and approval of both financial and progress reports by donors. There are delays in disbursements either due to government's inability to meet triggers or donors administrative procedures, thereby negatively affecting government's budget implementation plans.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
D-1	Predictability of Direct Budget Support	**NS**	**NR**	Scoring Method M1	Performance change cannot be assessed as the PA did not assess the Indicator.
(i)	Annual deviation of actual DBS from the forecasts provided by the donor agencies at least 6 weeks prior to the government submitting its budget proposals to the legislature	NS	NR	There is insufficient information to score this dimension.	The PA did not assess the Indicator.
(ii)	In-year timeliness of donor disbursements (compliance with aggregate quarterly estimates)	NS	D	Donors do not provide quarterly disbursement schedules to government even though they notify government of annual estimates before the beginning of the fiscal year.	The PA did not assess the Indicator.

Ongoing reforms

None identified.

3.7.2 D-2 Financial information provided by donors for budgeting and reporting on project and program aid

This indicator assesses the predictability of donor support for programs and projects (including aid-in-kind) in terms of provision of accurate and timely estimates of available funds for inclusion in the budget proposal and reporting on actual disbursements. The assessment is based on qualitative data for donors providing project and programme support and focuses on the last completed fiscal year: FY2013.

(i) Completeness and timeliness of budget estimates by donors for project support

Development partner support takes various forms: they include donations in kind, technical assistance paid directly by donors, direct donor funding of projects and programmes, among others. For strategic allocation of resources (both government own resources and official development assistance), it is prudent to ensure these resources are aligned to national development strategies and priorities. These resources ought to have been budgeted for with clear sources of revenue and timeliness for disbursements and allocations to beneficiary sectors of the economy. Official development assistance estimates, for that matter, should be provided to government in a timely manner, coincidental and consistent with the government budget calendar and classification prior to the preparation of the national budget. Information gathered from interactions with officials of the Aid Coordination Directorate and the DLMD indicates that the majority of donors, including the five largest in terms of value, i.e. World Bank, BADEA, EU, AfDB and the UN, provide estimates of project loans and grants between two to three months before the beginning of the FY (FY 2013). The estimates however are not always consistent with the government's budget classification. The World Bank and the AfDB were the two institutions out of the five major donors whose estimates were consistent with government budget classification.

(ii) Frequency and coverage of reporting by donors on actual donor flows for project support

Officials have indicated that in recent years there has been some level of improvement on reporting on actual donor inflows on project and programme support. The National Aid Bulletin of The Gambia covering the financial year 2012, published in July 2013, recognised donor effort in relation to reporting on projects and programmes. Nonetheless, not all actual cash flows are reported: actually, less than 50% are reported, as shown in Table 3.26 below. Officials of the Aid Coordination Directorate say the trend has not changed in FY2013. Available figures for FY2013 from MoFEA (DLMD and Aid Coordination Directorate) indicate that donors, in the form of project loans and grants, disbursed a total of GMD 2.76 billion. Out of this, GMD287.17 million representing 10.4% of total project aid was reported in the 2013 consolidated annual financial statements. Apart from the World Bank and the AfDB who provide quarterly and timely reports on actual cash flows on project aid, the other major donors do not.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score	Performance change and other factors
D-2	Financial information provided by donors for budgeting and reporting on project and program aid	**NS**	**D+**	Scoring Method M1	**Not comparable as the indicator was not assessed in the PA.**
(i)	Completeness and timeliness of budget estimates by donors for project support	NS	C	The majority of donors, including the five largest, provide project estimates to government between two to three months before the beginning of FY2013. The estimates are not always consistent with government budget classification.	Not comparable as the dimension (and the whole indicator) was not assessed in the PA.
(ii)	Frequency and coverage of reporting by donors on actual donor flows for project support	NS	D	Donors provided reports for a little over 10% of donor project and programme aid in FY2013. More than half of the major donors do not provide quarterly reports on actual cash flows on project/programme aid.	Not comparable as the dimension (and the whole indicator) was not assessed in the PA.

Ongoing reforms

The ongoing PFM reforms intend to integrate IFMIS with a proposed Aid Management Platform (AMP). The AMP is a web-based application and will be available to all donors for recording both forecast and actual disbursements in real time

3.7.3 D-3 Proportion of aid that is managed by use of national procedures

This indicator assesses the use of national procedures (i.e. procurement, payment/accounting, audit, disbursement and reporting) by donors. DBS by definition makes use of national procedures. The assessment focuses on the last completed fiscal year: FY 2013.

In January 2013, the GoTG, together with donors, validated the first draft of the Gambia Aid Policy (GAP) aimed at providing a national framework for the management of donor aid in the country. The draft policy is in line with the governments' commitment to ensure optimal aid harmonisation and leadership, and a pursuit of national developmental priorities consistent with the medium term development plan, known as the PAGE. In 2005 and 2008, development partners and recipient of development assistance declared through the *Paris Declaration on Aid Effectiveness* and the *Accra Agenda for Action*, respectively, to provide development aid using country systems as much as possible.

Information provided by the EU and AfDB indicates that for the FY2013, a little over 1% of their development assistance used country systems (see Table 3.27 below).

Table 3.27 Use of country PFM and Procurement Systems

	Total aid FY2013	Use of country systems				
		Procurement	Budget execution	Financial reporting	Audit	Weighted average
EUR million	62.97	0.70	0.70	0.70	0.70	0.70
Percent	100%	1.11%	1.11%	1.11%	1.11%	1.11%

Source: AfDB and EU.

PI	Dimension	Score 2010	Score 2014	Justification for 2014 score Scoring Method M1	Performance change and other factors
D-3	Overall proportion of aid funds to central government that are managed through national procedures	NS	D	A little above 1% of donor aid (direct budget support) was managed through country systems in FY 2013.	Not comparable as the indicator was not assessed in the PA.

Ongoing reforms

None identified.

4 Government Reform Process

4.1 Current approach to PFM reforms

Over the years, the Government's fiscal planning and budgeting did not provide a sound basis for aligning resources with the policies of both PRSP I and PRSP II. First, the budget formulation process lacked a coherent medium-term strategic framework. Capital and recurrent expenditures were not adequately linked to national policies and sector budgeting. Second, budget allocation was essentially incremental, and budgetary decisions were not yet policy-driven or program-oriented. Expenditure allocations were broad and geared to mainly two areas: Personal remuneration and Goods and Services. In addition, the budget presented was in the form of aggregate ministerial allocations, with exhaustively detailed line item classifications, but limited information on the purpose of spending. Requests by spending MDAs for additional budget allocations were frequent, hence no effective forward planning of recurrent spending. In addition, the capacity to undertake effective independent economic and fiscal medium term forecasting was weak, and there was a tendency towards overly optimistic macroeconomic and revenue projections.

Against this background and with the support from the AfDB, GoTG developed a comprehensive PFM Reforms, for implementation during the period 2010 to 2014. The goal of the reform process was to support aggregate control, prioritization, accountability and efficiency in the management of public resources and delivery of services, which are critical to the achievement of public policy objectives. Total cost of the strategy amounted to around US$26 million, with the AfDB, World Bank and European Union playing a key role in financing main activities. In addition, the UN systems and the IMF have also substantially contributed to the reform programme via the provision of TA to steer the process. Among others, key priorities included in the PFM strategy were:

- *Introduction of a Medium Term Expenditure Framework (MTEF) and Program Based Budgeting (PBB);*
- *Establishment of a functioning internal audit department within MOFEA and improve external audit functions to clear the backlog of unaudited financial statements and initiate steps for the introduction of Value for Money Audit (Performance-Based Audit);*
- *Improving revenue mobilization by broadening the tax base through the introduction of VAT;*
- *Rolling out the IFMIS to all MDAs and pilot IFMIS to self-accounting projects;*
- *Developing and implementing the debt management strategy.*

4.2 Recent and ongoing reforms

Some of the recent and ongoing reform outputs are summarized hereafter (a detailed description of ongoing reforms has been provided in this Report under the homonymous section for each PEFA indicator assessed).

IFMIS: The Financial Suite of the IFMIS has been upgraded from Epicor 7 to Epicor 9, which is more user-friendly and accessible to government offices outside Banjul area. The Payroll module has been upgraded from Nas.Net to NASDNA, while the Budget module was also upgraded to Active Planner Open Integration. The IFMIS has also been interfaced with the Commonwealth Secretariat Debt Recording and Management Systems (CS-DRMS). In addition, the IFMIS was recently extended on a pilot base to two self-accounting projects. In the area of cash management and accounting, IFMIS has been interfaced with the Core Banking module at the CBG. This provides the DNT with online access to Government bank accounts to enhance treasury management, and automate the bank reconciliation functionality. The IFMIS has played a key role towards the clearing of Government financial statements: now annual statements can be produced and submitted for audit by the end of the second quarter of each fiscal year.

MTEF/PBB: Budgetary reforms anchored on the introduction of a Medium Term Expenditure Framework (MTEF) and Programme Based Budgeting (PBB) are also progressing, albeit, at a slower pace. The MTEF was piloted at both MoFEA and MoBSE last year, with further plans to pilot two additional Ministries in 2014, namely Ministry of Agriculture and MoHSW. The MoWTI is also a pilot for PBB.

Tax reforms: A major reform has been introduced in terms of resource mobilization with the introduction of the VAT in 2013. The Income and VAT Act 2012 was approved by the National Assembly in June 2012 and the VAT implementation commenced in January 2013. Besides, a tax tribunal has been setup since last year and is currently operational.

Internal and external controls have equally improved. The internal audit office is now fully operational and is auditing most of the central government activities. Progress has been made in the area of external audit with regards to clearing the large backlog of audit reports on central government accounts from 2007 to 2010. The government is actively undertaking steps to address the challenges in public procurement legislation**.** The GPPA act has been revised and subsequently approved in 2014 by the National Assembly. Much progress has also been achieved in the ex-post reviews of procurement organizations (POs) by GPPA since 2011, in which over 81 and 85 POs were reviewed respectively in 2012 and 2013.

Payroll management: Around 95 % of the payroll records are validated in DNT IFMIS. IFMIS payroll records are to be regularized and ghost workers removed from payroll.

Procurement controls: The revised GPPA Act 2013 was approved by the National Assembly in December 2013. Among others, it includes the introduction of an independent complaints review board; the gradual removal of both ex-ante and ex-post functions of the GPPA; and building capacity to create a procurement cadre to ensure that all line ministries are adequately staffed.

Debt management: The government has conducted a review of the MTDS during 2013. Also a new debt management advisory committee for debt management and elaboration of a debt reform plan was set up in 2013. A liquidity forecasting committee which is looking periodically at domestic borrowing requirements for the government is also functional.

Civil Service Reform: A first Civil Service Reform Strategy (2008-2011) was approved by the Cabinet in mid-2009. The strategy was closely linked to the PFM Reforms and comprised key reforms connected to civil service salaries and performance evaluation systems. In order to facilitate decision-making, a Pay and Employment Model was prepared. Integration of the HR information system with the Payroll module is progressing sturdily. Other activities also supported key components in the government's long-term Civil Service Reform agenda, specifically in the areas of strengthening the capacity for human resources management, wage bill and pension management and the development of an effective performance appraisal tools. Further activities included the addition of an HR Module in IFMIS to improve budget reporting. As a follow up to the first strategy, a second Civil Service Reform Strategy (2012-2015), was launched by the Government. The new strategy comprises seven components dealing with broad areas of public sector performance, pay and pension reforms, accountability and service delivery, among others.

4.3 Forward looking perspective on institutional factors supporting PFM reforms

This section identifies some key factors that are relevant in supporting an effective PFM reform process in the Gambian context.

Institutional sustainability of reforms

Overall coordination of the PFM reform activities is primarily under the purview of the PFMCC, along with the PFM Unit at MoFEA. The PFMCC was established in March 2009. Its mandate is to monitor and coordinate the Government's PFM reform programme with other sector reform programmes under implementation. It is composed of NAO, National Planning Commission (NPC), GRA, PMO, the Clerk to the National Assembly, GPPA and all heads of Units at MoFEA. Its primary mandate is to coordinate and steer PFM reforms. The committee meets quarterly and is answerable to the Cabinet through the Minister for Finance and Economic Affairs. The PS/MoFEA is chair of the PFMCC. The PFM Unit/MOFEA coordinates the analysis, monitoring and evaluation of the implementation of the PFM systems and overall PFM reform agenda. The Unit is also the Secretariat of the PFMCC.

The recent support to reform programmes has led to institutional changes on PFM. The institutional reforms are accompanied by institutional strengthening and capacity building components funded mainly by AfDB, the WB, the EU, UNDP, and IMF. For instance, the AfDB's Institutional Support for Economic and Financial Governance (ISEFG II) project for the period 2012-2014 has been instrumental in supporting PFM reforms. It addressed human and institutional capacity constraints and weaknesses in PFM with a view to achieve efficient, effective and accountable use of public resources. Its main focus is: (i) enhancing macroeconomic policy analysis and debt management; (ii) strengthening executive and legislative scrutiny, assessment, transparency and accountability in PFM. Equally, the PFM Reform Unit at MoFEA and the Project Coordination Unit (PCU) were instrumental in the successful implementation of the project and pushing for the implementation of PFM reforms.

Government ownership and leadership

The MoFEA coordinated the complex reform programme involving multiple stakeholders. Based on the agreed monitoring framework, the Ministry has taken necessary corrective measures on time for the satisfactory implementation of the programme. During the preparation and implementation of the different support measures, key stakeholders were actively consulted. Extensive dialogue between the MoFEA and its stakeholders explored new key areas of reforms and thus contributed to the sustainability of the reforms.

During the planning of the different programmes and projects by the donors, main stakeholders were consulted notably: PAC/PEC of the National Assembly; the MOFEA, the CBG, the NAO; the GPPA, GRA, and representatives of civil society. Extensive dialogue with the Government and stakeholders has explored important areas where country ownership was deemed crucial, and stakeholders emphasized their national priorities. The MoFEA through its PFM Reform Unit successfully monitored the implementation of the reforms by actively involving major stakeholders.

Financial sustainability

The overall PFM reform programme is aimed at enhancing the capacity of the Government to mobilise fiscal resources and improving efficiency and effectiveness of public expenditures, as well as to contributing to sustainable financing of the Government's reform programme over the medium-term. Nonetheless, as noted by the present PEFA Assessment, challenges remain. These include fiscal sustainability of public spending and challenges to directing resources to the priority areas for reform, both from a PFM perspective, and from a development perspective of service delivery, growth, reduction of poverty, and attainment of PAGE targets. This therefore, calls for an increased coordinated approach between the Government and DPs on funding modalities and TA for a sustained and mutually beneficial PFM reform strategy.

5 Annexes

Annex 1: PFM Performance Measurement Framework Indicators Summary

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
A.	PFM OUT-TURNS: Credibility of the budget				
PI-1	Aggregate expenditure out-turn compared to original approved budget	**B**	**C**	Actual expenditure deviated from budgeted expenditure by more than 15% in only one of the three FYs assessed (i.e. FY 2013), and by more than 10% in two FYs (FYs 2012 and 2013).	The rating has slipped from "B" to "C". Scores are comparable and thus performance has slipped. No other factors affecting the change in scores. In the FYs assessed by the 2010 Assessment (FYs 2005-2007), actual expenditure had not deviated from budget by more than 10% in two of the three FYs, and had deviated from budget by more than 15% in only one FY. The results for the two assessments are as follows: • 2014 Assessment: 4.5% (FY 2011); 14, 4% (FY 2012); 31,4% (FY 2013). • 2010 Assessment:-18.6% (FY 2005); 4.5% (FY 2006); 7.7% (FY 2007).
PI-2	Composition of expenditure out-turn compared to original approved budget	**C**	**D+**		Slippage in the scores. Change in performance is not assessed as the scores are not comparable. The assessment methodology for PI-2 was revised in 2011.
(i)	Variance in expenditure composition excluding contingency items[74]	C	D	Variance in expenditure composition exceeded 15% in two of the last three FYs (FY 2012 and FY 2013).	2010 and 2014 scores are not comparable. This dimension has been modified by the revision of the PEFA Framework in 2011, to exclude contingency items.
(ii)	Average amount of expenditure actually charged to the	-	A	The average amount of expenditure actually charged to the contingency vote over the last	2010 and 2014 scores are not comparable, as this dimension has been introduced in 2011

[74] Before 2011 (and thus in the 2010 Assessment), dimension (i) assessed the "extent to which variance in primary expenditure composition exceeded overall deviation in primary expenditure during the last three years" (PEFA Framework, 2005).

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
	contingency vote			three FYs was below 3% of the original budget.	and was thus not assessed in 2010.
PI-3	Aggregate revenue out-turn compared to original approved budget	**B**	**B**	Actual domestic revenue was between 94% and 112% of budgeted domestic revenue two of the last three years. The ratios were: 91.9 % (FY 2011), 103.2 % (FY 2012) and 95.9 % (FY 2013). That said, the Assessment has reservations about the accuracy and reliability of the data provided.	**Although scores are the same, they are not comparable**. In January 2011, the PEFA Secretariat modified the criteria used to score this indicator to incorporate both positive and negative deviations. Overestimation of revenue is more serious as it can lead to larger deficits if expenditure is not reduced accordingly.
PI-4	Stock and monitoring of expenditure payment arrears	**NS**	**NR**		**Though score are not comparable, no change in performance.**
(i)	Stock of expenditure payment arrears (as a percentage of actual total expenditure for the corresponding fiscal year) and a recent change in the stock	NS	NR	Data provided by MoFEA show that the stock of arrears represents around 3.6 % of total expenditure at end 2013 but the overall arrears stock remains unknown.	**Performance unchanged**. The dimension was not rated in the absence of accurate and reliable data, in both assessments. The PA attributed a rating of "NS" to the dimension, when the dimension was "NR", on the same grounds as in the 2014 assessment (i.e. absence of reliable and exhaustive data on the stock of arrears).
(ii)	Availability of data for monitoring the stock payment arrears	C	D	There is no accurate reliable comprehensive data for monitoring the stock of expenditure payment arrears for the last two years.	**Scores are not comparable. Performance unchanged.** The basis for the 2010 assessment and rating of dimension (ii) appears uncertain given the evidence provided by the PA.
B.	KEY CROSS-CUTTING ISSUES: Comprehensiveness and transparency				
PI-5	Classification of the budget	**B**	**C**	The GoTG functional classification is not in line with the COFOG standards or a standard that can produce consistent documentation according to those standards. The administrative and economic classifications in use are in line with GFS.	**Scores are not comparable. No change in performance.** The functional requirement of PI-5 was not met at the time of the PA. The PA overrated PI-5.

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
PI-6	Comprehensiveness of information included in budget documentation	**B**	**B**	6 out of 9 information benchmarks are met in the budget documentation sent to the NA.	**Scores are not comparable given incorrect rating by the PA, which over-rated PI-6. Thus, though the score is the same,performance has improved, and by more than an improvement within the B score range.** Performance has improved with respect to: -the information benchmark No. 4 on debt stock reporting (also refer to improvements witnessed under PI-17); - Information benchmark No. 8. The information benchmarks Nos. 4 and 8 were not met in the 2010 Assessment and are met in 2014. The change in performance is not adequately reflected in the change in score, as information benchmark No. 8 was incorrectly assessed as met by the PA. The source considered by the PA was the revised, instead of the original budget. As a result, although it appears that the improvement is within the range for the "B" rating, from 5 benchmarks met in 2010 to 6 met in 2014, the actual improvement is from 4 benchmarks met in the 2010 Assessment to 6 met in the 2014 Assessment. A further improvement is that more information is provided in the Budget Speech regarding revenue measures, though information benchmark No. 9 is not considered fully met.
PI-7	Extent of unreported government operations	**D+**	**NR**		**Overall improvement in performance due to improvement in dimension (ii).**
(i)	Level of unreported extra-budgetary expenditure	C	NR	Unreported CG operations that could be quantified amounted to 2.25% of total CG expenditure in FY 2013. Given the large number of additional subvented agencies the Assessment identified for which data on	**Performance change cannot be assessed. The scores are not comparable** as the basis on which the PA rated this dimension is uncertain. The PA only examined the subsidies to "public authorities" and whether these were

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
				expenditure was not available, the amount is likely to be significantly higher. The subventions from the CG to agencies are reported.	included in the budget and the accounts (which they were). It provided the rating on the basis of the amount that *was reported* as percent of total CG expenditure (which was 8% and corresponded to the reported subsidies) , rather than the unreported amount, which it did not assess or quantify.
(ii)	Income/expenditure information on donor-funded projects	D	C	Complete income/expenditure information for all loan financed projects is included in both the approved budget and the annual accounts. Grants are also captured in the approved budget, but by less than 50% of value in the accounts, and as receipts rather than expenditure.	**Scores are comparable. Improvement in performance.** In the period covered by the 2010 Assessment, 25% (value) of donor-funded project expenditure (through loans and grants) was reported in the accounts. No other factors.
PI-8	Transparency of inter-governmental fiscal relations	**D**	**D**		**Scores are comparable.** No change in performance.
(i)	Transparent and objectivity in the horizontal allocation among SN government	D	D	The horizontal allocation of the Government transfers to the LCs is determined by law and clear and transparent formulae are used. No reliable figures about the % of transfers determined by transparent rules.	**Scores are comparable.** No tangible change in performance since the PA.
(ii)	Timeliness of reliable information to SN government on their allocations	D	D	LCs cannot anticipate the funds they will receive from Government transfers. Typically they do not receive confirmation of the global allocation from CG in due time to revise and present their budget for approval.	**The 2010 and 2014 scores are comparable.** No tangible change in performance since the PA.
(iii)	Extent of consolidation of fiscal data for government according to sectoral categories	D	D	Fiscal information supplied by the LCs is not yet consistent with central government fiscal reporting. Individual reports include almost all expenditure made by LCs, but they are not consolidated into an annual report by the Ministry.	**The 2010 and 2014 scores are comparable.** No tangible change in performance since the PA.
PI-9	Oversight of aggregate fiscal risk from other public sector entities.	**D**	**D+**		**Scores are comparable. Improvement in performance mostly due to improvement in performance for dimension (ii).**

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
(i)	Extent of central government monitoring of AGAs/PEs	D	D	Around half of PEs submit up to date annual audited accounts to MoFEA, but not all major ones. A minority of AGAs is submitting audited (and unaudited) accounts to MoFEA. No consolidated report on fiscal risk arising from AGAs/PEs is issued.	**Scores are comparable. Some improvement in performance as to the monitoring of PEs,** but not sufficient to impact the score. No change with respect to the consolidated report which was also not issued at the time of the PA. No other factors.
(ii)	Extent of central government monitoring of SN governments' fiscal position	D	C	The net fiscal position is monitored at least annually for the most important level of SNG but a overall consolidated fiscal risk report is not issued.	**Scores are comparable. Improvement in performance.** In the period assessed by the PA, the then Ministry of Local Government's (and thus CG's) overview of SNG was incomplete and not up to date, also as Councils were not issuing annual financial statements. Councils now issue and submit annual accounts to the Ministry of Lands and Regional Government. NAO audits the accounts, and the Ministry also receives audit reports. The Ministry also monitors the fiscal position of Councils during the year. No other factors.
C.	BUDGET CYCLE				
C(i)	Policy-based Budgeting				
PI-10	Public access to key fiscal information	**D**	**C**	The Government makes available to the public one of the six listed elements: information element No. 1, related to annual budget documentation.	**Scores are comparable as there are no other factors affecting the change in scores.** Thus, performance has improved. From no element made fully available as per the 2010 Assessment, to one element made available.
PI-11	Orderliness and participation in the annual budget process	**B**	**A**		**Overall scores are not comparable.**[75] **Improvement in performance** due to improvement in dimension (ii), given increased political involvement in the setting of budget allocations, as the ceilings distributed to MDAs are now pre-approved by Cabinet.
(i)	Existence of and adherence to a	B	B	A clear annual budget calendar is distributed in	**Scores are possibly not comparable. As a**

[75] Despite scores for dimension (i) possibly not being comparable, performance change could be assessed and was assessed as positive: (i) given that scores for dimension (ii) and (iii) are comparable, and that (ii) the main factor affecting improvement in performance is mainly attributable to improvement under dimension (ii).

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
	fixed budget calendar			the BCC. It is for the most part respected and allows MDAs reasonable time (one month) to meaningfully complete detailed estimates largely on time.	**result, the direction of performance change is unclear.** The basis for scoring the dimension by the 2010 Assessment appears uncertain. On the one hand, the time allowed to submit budget proposals was assessed as two months; on the other, MDAs' submissions were assessed as inadequate. The calendar for the preparation of the 2008 Budget was also clear and for the most part respected.
(ii)	Guidance on the Preparation of budget submissions.	C	A	A comprehensive and clear BCC is issued to MDAs which reflects ceilings approved by Cabinet prior to the BCC's distribution to MDAs.	**The scores are comparable, as there are no other factors affecting the change in scores, besides improvement in performance.** For the preparation of the FY 2008 Budget, the ceilings included in the BCC were approved by Cabinet after MDAs had completed their budget submissions. Now, the ceilings distributed to MDAs via the BCC have already been approved by Cabinet via the BFP.
(iii)	Timely budget approval by the legislature	A	A	For all the past three FYs, the NA has approved the Budget before the start of the next FY.	**The scores are comparable, as there are no other factors affecting the scores. No change in score or performance.** In the period assessed by the 2010 Assessment (the approval of the FY2008, FY 2007 and FY 2006 Budgets in FYs 2005-2007), the NA had also approved all three Budgets before the start of the new FY.
PI-12	Multi-year perspective in fiscal planning, expenditure policy and budgeting	**D+**	**B▲**		**Though scores are not comparable, change in performance can be assessed.** Performance has improved due to improvement in performance for all four dimensions.
(i)	Multi-year fiscal forecast and functional allocations	D	C	Multi-year forecasts are developed for revenue and expenditure on a rolling basis for three years. They are presented in the BFP (and in the BCC). Expenditure forecasts are detailed by administrative and economic category but	**Scores are comparable. Improvement in score and performance.** In the period assessed by the 2010 Assessment, no multi-year projections were developed. Three-year projections for fiscal aggregates are now

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
				not by sector/function.	developed with expenditure detailed by administrative and economic category.
(ii)	Scope and frequency of debt sustainability Analysis	C	A	A DSA covering internal and external debt has been undertaken annually during the past three years.	**Improvement in performance, though scores are not comparable.** Improvement in performance as, in the three years covered by the PA, only one DSA for internal and external debt had been undertaken (in 2007). In the three years reviewed by this Assessment, a DSA covering both internal and external debt has been undertaken annually. That said, performance has improved by less than the improvement in scores would indicate. Though one DSA covering both internal and external debt had been undertaken in 2007 (as also indicated by the PA), the PA under-rated the dimension as "C".
(iii)	Existence of costed sector strategies	C	B	Statements of sector strategies exist for 25-75% of total primary expenditure and are broadly consistent with fiscal forecasts.	**Scores are not comparable, as the PA overrated the dimension. Improvement in performance and by more than suggested by the change in score from "C" to "B".** In FY 2007, according to the PA, statements of sector strategies had been developed only for Health and Agriculture and were not fully costed. Moreover, as underlined by the PA itself, "aggregate fiscal forecasts [did] not exist to ensure consistency" (CFAA 2010, page 61). The PA thus overrated the dimension.
(iv)	Linkages between investment budgets and forward expenditure estimates	C	C▲	Investments are selected on the basis of sector strategies for sectors representing less than half of primary expenditure. Recurrent cost implications are not systematically included in overall forward budget estimates.	**Scores are not comparable, as the PA overrated the dimension. Improvement in performance and by more than just the upward arrow.** The PA over-rated dimension (iv) as, according to the PA, recurrent cost implications were not being estimated in FY 2007 even for the main investments. As a BFP was not developed in FY 2007, there were also no forward estimates in which the recurrent

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
					cost implications could be included at the overall level. A system to link sector investment budgets to forward budget estimates was not in place. A system has now been established to link the two, through the multi-year BCC and the BFP.
C(ii)	Predictability and control in Budget Execution				
PI-13	Transparency of taxpayer obligations and liabilities	**C**	**B▲**		**Performance has improved since 2010 due to improvement in dimensions (i), (ii) and (iii).**
(i)	Clarity and comprehensiveness of tax liabilities	B	B	The tax and customs legislation is fairly comprehensive and clear. The 2012 Income Tax and VAT Act provide less room for administrative discretion, although limited discretionary powers are still provided.	**Scores are not comparable. Performance has improved although the score has not changed.** The PA does not appear to have provided enough weight to the administrative discretion allowed by the regulations.
(ii)	Taxpayer access to information on tax liabilities and administrative procedures	C	B	Taxpayers have access to certain tax information and administrative procedures. Tax liabilities are estimated by the taxpayers (since 2012 the GRA applies self-assessment). The authority carries taxpayer education and dissemination campaigns on a regular basis.	**Comparable scores. Improvement in performance.** GRA services have been expanded to provide the taxpayers information on different tax liabilities and procedures (not yet on line). Education and dissemination campaigns are regularly carried out.
(iii)	Existence and functioning of a tax appeals mechanism	D	C▲	The tax appeals mechanism described in the new law (7 out the 7 criteria met) was instituted in 2012, but it is not yet fully operational. It is too early to assess its effectiveness and issues relating to access, efficiency, fairness or effective follow up on its decisions.	**Scores are not comparable.** Not enough evidence was provided in the PA; unclear which tax appeals mechanism was appraised. **Performance has nonetheless improved since 2010.** The revised legislation established the tax appeals mechanism and deadlines for taxpayers, which in the future are likely to expedite the time of tax appeals and thus minimize the increase of further tax arrears.
PI-14	Effectiveness of measures for taxpayer registration and tax assessment	**C**	**C**		**Overall score is unchanged. That said, performance has improved due to performance improvement in dimension (iii).**

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
(i)	Controls in taxpayer registration system	B	C	Taxpayers are registered in databases for individual taxes that are not fully and consistently linked. This is supplemented by occasional surveys of potential taxpayers.	**Scores are not fully comparable.** The PA appears to have overrated the dimension. Thus, though the score has slipped, performance has not.
(ii)	Effectiveness of penalties for non-compliance with registration and declaration obligations	C	C	Penalties for non-compliance exist for almost all relevant areas. GRA did not provide data about the amount of penalties collected. Based on the information included in the government FS their amount is rather insignificant Penalties' level is enough dissuasive, but their efficiency is limited since their enforcement in practice is low.	**Scores are not comparable** because insufficient/no information was provided in PA to justify the assessment. **No change in performance** since the PA.
(iii)	Planning and monitoring of tax audit and fraud investigation programs	D	C	Routine compliance tax audits and fraud investigations are conducted regularly, but audits are not yet based on clear risk assessment criteria.	**Improvement in score and performance.**
PI-15	Effectiveness in collection of tax payments	**NS**	**D+**		**Overall scores are not comparable. That said, performance has improved due to improvement in dimension (iii).**
(i)	Collection ratio for gross tax arrears, being percentage of tax arrears at the beginning of a fiscal year, which was collected during that fiscal year	NS	D▲	The arrears collection ratio is quite low, at around 57% and 64% in FY 2012 and 2013 respectively. However, there are reservations about the reliability of data provided by GRA that refers only to PEs tax arrears.	**Scores are not comparable.** Since data on total tax arrears were not available in 2010, the PA did not score the dimension. While the level of arrears is high and the arrears collection ratio is rather low, there has been a slight improvement in the availability of tax arrears data.
(ii)	Effectiveness of transfer of tax collections to the Treasury by the revenue administration	B	B	Commercial banks collect almost 100 % of all tax revenue. Transfers to the Treasury are typically made twice a week.	**No change.**
(iii)	Frequency of complete accounts reconciliation between tax assessments, collections, arrears records and receipts by the Treasury	C	C	Reconciliation between revenue collected and transferred is carried out at least quarterly but the exercise is incomplete as it does not fully reconcile revenue assessment, its collection, transfer and arrears. Complete reconciliation of total tax collected and amount transferred to the	**Scores are not comparable,** as the 2010 assessment provides inconsistent information. The basis for the PA's rating is uncertain; the PA seems to have overrated the dimension. **Performance has thus improved.**

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
				Treasury takes place at least annually within three months of end of the year.	
PI-16	Predictability in the availability of funds for commitment of expenditures	**C+**	**D+**		**Overall scores are not comparable. No overall change in performance despite the change in scores.**
(i)	Extent to which cash flows are forecast and monitored	C	D▲	For FY 2013, the cash flow forecast at the consolidated level was not prepared for the year but only for the last 2 quarters. There are also concerns regarding the quality of the cash plan at the MDA and the overall level.	**Scores have slipped. Scores are not comparable. Performance change is uncertain.** On the one hand, performance has slipped (albeit temporarily, in FY 2013), in so far as the 2010 Assessment found that a cash flow forecast was prepared for the year by MoFEA (then DOSFEA), whereas the forecasting function at the central level was discontinued for the first half of FY 2013, so that a cash plan for the year was not issued for FY 2013. On the other, evidence reported by the PA questions the quality of the cash plan issued, so that the basis on which the PA rated the dimension could be uncertain.
(ii)	Reliability and horizon of periodic in-year information to MDAs on ceilings for expenditure commitment.	C	C	MDAs are provide reliable information on commitment ceilings one month in advance.	**Scores are comparable. No change in score or performance.** No other factors. At the time of the PA, commitments were also based on cash allotments, which were provided for the month on a monthly basis.
(iii)	Frequency and transparency of adjustments to budget allocations, which are decided above the level of management of MDAs.	C	D	Significant in-year budget adjustments are frequent and not done in a transparent manner.	**Scores are not comparable. No change in performance.** The PA overrated the dimension as it concluded that there were significant and frequent in-year adjustments introduced by MoFEA with no clear criteria and without dialogue with MDAs.
PI-17	Recording and management of cash balances, debt and guarantees	**B**	**B+**		**Overall performance has improved due to performance improvement for dimension (iii)**.
(i)	Quality of debt data recording and reporting	C	B	Domestic and foreign debt records are quite comprehensive. The domestic and foreign debt	**Scores are not comparable.** The 2014 score has improved yet performance may not have,

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
				databases are reconciled on a quarterly basis. Data are considered of fairly good standards, though minor reconciliations problems occur between the CBG and DLMD databases. Management and statistical reports are quite complete, covering debt service, stock and operations and are produced at least annually.	as the PA appears to have underrated the dimension.
(ii)	Extent of consolidation of the Government's cash balances	B	B	Most cash balances are calculated and consolidated at least weekly, but some extra-budgetary funds and AGAs still remain outside the consolidation process.	**Scores are comparable. No change.**
(iii)	Systems for contracting loans and issuance of guarantees	B	A	Central government's contracting of loans and issuance of guarantees is made against transparent criteria and fiscal targets and always approved by a single responsible government entity (MoFEA).	**Scores are comparable. Performance has improved.**
PI-18	Effectiveness of payroll controls	**C+**	**C+**		**Overall performance has improved due to positive changes in dimensions (iii) and (iv).**
(i)	Degree of integration and reconciliation between personnel records and payroll data	C	C	PMO's Human Resource module NAS.net is not yet integrated with the IFMIS payroll. Reconciliation exercises for the data are done generally every six months. Certain (though not substantial) delays (ref. dimension (ii)) are experienced in translating changes to personnel records on the payroll.	**Scores are comparable. No change in performance.**
(ii)	Timeliness of changes to personnel records and the payroll	B	B	Required changes to the personnel records are updated monthly (or at least every three months) and generally without substantial delays. Retroactive adjustments are not frequent.	**Scores are comparable. No change in performance.**
(iii)	Internal controls of changes to personnel records and the payroll	C	B	Authority to change records and payroll is clear and restricted.	**Scores are comparable. Performance has improved.**

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
(iv)	Existence of payroll audits to identify control weaknesses and /or ghost workers	C	B	Complete audits or staff surveys have been undertaken within the last three years at the ministry and department level under PMO coordination and supervision.	**Scores are comparable. Performance has improved.**
PI-19	Transparency, competition and complaints mechanisms in procurement	**NS**	**D+▲**		**Scores are not comparable since the indicator was not assessed by the PA. Also, the methodology for PI-19 was revised in January 2011.**
(i)	Transparency, comprehensiveness and competition in the legal and regulatory framework	N/A	B	Five out of six requirements are met.	
(ii)	Use of competitive procurement methods	N/A	D	Based on the NAO audit report (2013), compliance is not always observed by a number of POs. Data provided by GPPA cover only one third of the procurement in The Gambia. The *single source* method was the main method and was used in 37% of the cases; while open tendering was used only in 17% of cases. GPPA has audited a total of 63 POs in FY 2012: 12 or approximately 20% were found non-compliant with legislation, with the remaining 51 being compliant.	
(iii)	Public access to complete, reliable and timely procurement information	N/A	D	GPPA lacks an information system to generate accurate and reliable data that cover key procurement information (government procurement plans, bidding opportunities, contract awards, and resolution of procurement awards). Data provided is not produced systematically. The only key information made public through appropriate means relates to the bidding opportunities.	
(iv)	Existence of an independent administrative procurement	N/A	D▲	All PEFA related criteria are satisfied. At the time of the assessment, however, the Board	

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
	complaints system			was established, but not yet operational.	
PI-20	Effectiveness of internal controls for non-salary expenditure	**C+**	**C+**		**Scores are comparable. No change in overall score or performance.**
(i)	Effectiveness of expenditure commitment controls	B	B	IFMIS limits expenditure commitment to approved budget and actual cash allocated to each line ministry for most expenditures; there are other minor expenditure commitments made outside IFMIS.	Scores are comparable. No change.
(ii)	Comprehensiveness, relevance and understanding of other internal control rules/ procedures	C	C	The accounting manual provides comprehensive and simplified financial management procedures; however the level of understanding by transaction processing officials remains a challenge.	Scores are comparable. No change.
(iii)	Degree of compliance with rules for processing and recording transactions	C	C	There is general compliance of rules and procedures but with some exceptions leading to non-acquittal of cash advance as well as re-occurrence of breaches in transaction processing.	Scores are comparable. No change.
PI-21	Effectiveness of internal audit	**D**	**D+**		**Scores are comparable. There is performance improvement in overall score and performance due to improvement in dimensions (i) and (ii).**
(i)	Coverage and quality of the internal audit function	D	C	Internal audit functions are centralised at the present stage with limited human capacity. Most of its functions are ex post and on compliance audit, which takes 80% of staff time. Annual work plans are prepared and there is an audit manual that meets IIA standards.	Scores are comparable. There is improvement in performance.
(ii)	Frequency and distribution of reports	D	B	Internal audit reports are prepared annually for audited entities in accordance with the approved annual audit work plan. Copies are sent to the Auditor General, the PS of MoFEA, the PS (Accounting Officer) of the audited entity, and the Audit Committee.	Scores are comparable. There is improvement in performance.
(iii)	Extent of management response	D	D▲	Recommendations are issued by the	Scores are comparable. No improvement but

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
	to internal audit findings			directorate of internal audit to audited entities; even though management provided responses and timelines for actions, little evidence exist to suggest major issues are addressed by management, nonetheless there are indications of improvement but insufficient to warrant a significant change in score.	there are signs of improvement reflected in the upward arrow.
C(iii)	Accounting, Recording and Reporting				
PI-22	Timeliness and regularity of accounts reconciliation	**C**	**C+**		**Overall scores are comparable. Performance has improved due to improvement in dimension (i).**
(i)	Regularity of Bank reconciliations	C	B	Reconciliation of all treasury managed bank accounts takes place within a month after the end of the preceding month. There is no monthly information on the multiplicity of donor project bank accounts; the bank balance position of public entities is not known	Scores are comparable. Improvement in performance.
(ii)	Regularity of reconciliation and clearance of suspense accounts and advances	C	C	Reconciliation and clearance of suspense and advance accounts take place within 8 weeks after 31st December each year but there still remain un-cleared balances	Scores are comparable. No change.
PI-23	Availability of information on resources received by service delivery units	D	C▲	MoHSW uses bespoke software to track resources received by primary healthcare centres. A report known as the NHA is generated at least once every three years. The last report for 2014 is at the draft stage and covers FY2011, FY2012 and FY2013. MoBSE is now gathering data for the second Education Country Status Report, which will cover the past three years. The upward arrow reflects this development.	**Scores are comparable. Improvement in performance.**
PI-24	Quality and timeliness of in-year budget reports	**B+**	**B+**		**Scores are comparable. No change in overall score, yet performance has improved due to performance improvement under dimension (i).**

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
(i)	Scope of reports in terms of coverage and compatibility with budget estimates	B	A	In-year budget execution reports are prepared, consistent and compatible with budget estimates that allow for easy financial and statistical analysis up to the sub-vote level. The reports show expenditure both at commitment and payment level.	Scores are comparable. There is performance improvement.
(ii)	Timeliness of the issue of reports	A	A	In-year budget execution reports are prepared within a month after the end of the preceding month.	Scores are comparable. No change.
(iii)	Quality of information	B	B	There are concerns about the accuracy of financial data. These are usually highlighted especially by the Auditor-General; however these concerns do not affect the usefulness of the financial information.	Scores are comparable. No change.
PI-25	Quality and timeliness of annual financial statements	**D+**	**C+**		Overall score not comparable due to incomparability of dimension (ii)
(i)	Completeness of the financial statements	D	C	The DNT prepares a consolidated (aggregated) financial statement each year during the assessment period. Even though information on revenue, expenditure, financial assets and liabilities is not complete, omissions do not significantly affect the completeness of the accounts.	Score is comparable. There is improvement in performance
(ii)	Timeliness of submission of the financial statements	B	B	Annual financial statement for FY2013 was submitted within 10 months after the end of the financial year: after 9 months.	Scores are not comparable. No change in performance
(iii)	Accounting standards used	D	B	IPSAS cash accounting standards are used and referred to. They are consistently applied over time.	Score is comparable. Improvement in performance.
C(iv)	External Scrutiny and Audit				
PI-26	Scope, nature and follow-up of external audit	**D+**	**D+**		**Overall scores are comparable. There is no main change in performance** even though

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
					there are signs of improvement under dimension (iii).
(i)	Scope/nature of audit performed (incl. adherence to auditing standards)	C	C	At least 75% of central government operations are audited annually. The audits are largely financial audits with little focus on systemic issues. The NAO is yet to carry out performance audits, due to lack of human capacity and capability.	Scores are comparable. No change.
(ii)	Timeliness of submission of audit reports to the legislature	D	D	FY2012 and FY2013 audit reports of the Auditor-General have not been submitted to the National Assembly. Financial statements for public entities for the FY2013 have not yet been audited by the Auditor-General.	Scores are comparable. No change.
(iii)	Evidence of follow-up on audit recommendations	D	D▲	Audit recommendations are made but there is little evidence of executive action and follow up. Officials have indicated the strongest political will regarding implementation of audit recommendations.	Scores are comparable. No main change but there are signs of performance improvement reflected in the upward arrow.
PI-27	Legislative scrutiny of the annual budget law	**C+**	**D+**		**Scores are not comparable. No change in performance.** The change in the overall score is due to the change in the score for dimension (iii), which reflects a different interpretation of the evidence by the two Assessments and not a change in performance.
(i)	Scope of the legislature's scrutiny	C	C	The legislature's review mainly covers the detailed estimates of revenue and expenditure and at a stage in which these have been finalised.	**Scores are comparable. No change in scores or performance.** Although a BFP, including medium-term policy priorities and forecasts, is now issued by MoFEA, it is not submitted to the NA. Fiscal policy information is provided through the budget speech, yet at the end of the review process. As a result, as per the 2010 Assessment, the NA's review is mainly focused on the detailed estimates of revenue and expenditure.
(ii)	Extent to which the legislature's	B	B	Simple procedures exist for the review of the	**Scores are comparable. No change in score**

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
	procedures are well-established and respected			budget and are respected.	**or performance.** No other factors.
(iii)	Adequacy of time for the legislature to provide a response to budget proposals (time allowed in practice for all stages combined)	C	D	The time allowed by the legal framework and the time taken in practice for the review of the budget estimates is 2 weeks, and 3 weeks are granted for the approval of the budget estimates and the Appropriation Bill (i.e. significantly less than a month).	**Scores are not comparable. Thus, no change in performance despite the slippage in scores.** In the period examined by the 2010 assessment, the legal provisions for budget scrutiny were the same as in 2014 and the time taken in practice also. The basis for rating the dimension "C" by the PA assessment appears uncertain: although in the text the PA assessed that the NA had only 2 weeks to review the budget, and 3 to approve it and the Appropriation Bill, it then seems to have attributed the score on the basis of PI-11 (iii) criteria and the fact that the Budget was submitted to the NA and approved before the end of the FY.
(iv)	Rules for in-year amendments to the budget without ex-ante approval by the legislature	B	B	Clear rules exist for in-year budget amendments by the executive, do not allow for an expansion of total expenditure, but allow extensive administrative reallocations. In FY 2013, the rules have been respected.	**Scores are comparable. No change in scores or performance.** No other factors. In 2008, as in 2014, the rules did not allow for a total expansion of expenditure without Parliamentary approval, yet allowed for significant administrative reallocations. The legal framework was in fact the same for the two assessments. Under both Assessments, the rules were respected.
PI-28	Legislative scrutiny of external audit reports	**D+**	**D+**		Overall scores are comparable. **No main change in performance** even though there are signs of improvement in dimension (iii).
(i)	Timeliness of examination of audit reports by legislature (for reports received within the last three years)	D	D	The 2011 Auditor General (AG) report on central government have been submitted to the legislature; the report is scheduled for consideration in October 2014. The 2012 and 2013 audit reports are being audited by the AG and therefore not yet submitted to parliament	Scores are comparable. No change.

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
(ii)	Extent of hearings on key findings undertaken by legislature	C	B	Public hearings are conducted by PAC/PEC, which are covered by both the print and electronic media. Accounting officers and political heads of some MDAs as well as head of public entities with adverse audit opinion are summoned.	Scores are comparable. Improvement in performance.
(iii)	Issuance of recommended actions by the legislature and implementation by the executive	C	C▲	The PAC/PEC issues recommendations for executive action, which have the full support of the President according to officials. However, the 2012 and 2013 audit reports from the Auditor General are yet to be submitted to the National Assembly. These will provide further evidence of executive action.	Scores are comparable. No change in performance even though there are signs of improvement reflected by the upward arrow.
D.	DONOR PRACTICES				
D-1	Predictability of Direct Budget Support	**NS**	**NR**		**Scores not comparable. Performance change not assessed as PA did not assess this indicator.**
(i)	Annual deviation of actual BS from the forecasts provided by the donor agencies at least 6 weeks prior to the government submitting its budget proposals to the legislature	NS	NR	There is insufficient information to score this dimension.	Scores not comparable.
(ii)	In-year timeliness of donor disbursements (compliance with aggregate quarterly estimates)	NS	D	Donors do not provide quarterly disbursement schedules to government even though they notify government of annual estimates before the beginning of the FY.	Scores not comparable.
D-2	Financial information provided by donors for budgeting and reporting on project and program aid	**NS**	**D+**		**Scores not comparable. Performance change not assessed as PA did not assess this indicator.**
(i)	Completeness and timeliness of budget estimates by donors for project support	NS	C	The majority of donors, including the five largest, provide project estimates to government between two to three months before the beginning of FY2013. The estimates	Scores not comparable.

No.	Indicator	Score 2010	Score 2014	Justification for 2014 score	Comparability of scores and explanation of change since 2010 assessment
				are not always consistent with the government's budget classification.	
(ii)	Frequency and coverage of reporting by donors on actual donor flows for project support	NS	D	A little over 10% of donor aid on projects and programmes were reported by donors in FY2013. More than half of the major donors do not provide quarterly reports on actual disbursements on project/programme aid.	Scores not comparable.
D-3	Overall proportion of aid funds to central government that are managed through national procedures	**NS**	**D**	Information for FY 2013 indicates that a little above 1% of donor aid is managed through national procedures. .	**Scores not comparable. Performance change not assessed as PA did not assess this indicator.**

Annex 2: Detailed calculations for PI-1 and PI-2

The data in Tables 1,2,3 show the budgeted (approved) and executed expenditure for the 20 largest administrative headings, for FYs 2011, 2012 and 2013 respectively. Between FY 2011 and 2013, the GoTG budget comprised 31 administrative headings, including the heading for “miscellaneous” items. Data for the largest 20 administrative headings reported below (as well as data for “allocated expenditure” and “total expenditure”) exclude expenditure budgeted and executed under debt servicing and donor-funded projects. Data reported under budgeted expenditure by administrative heading also excludes budgeted expenditure for contingency items, which is classified under the administrative head “miscellaneous” in the GoTG Budget. In the Tables, the budgeted expenditure for “miscellaneous” items is reported under “contingency” (budget). The expenditure unallocated at year-end, charged to the “miscellaneous” vote, is reported under “contingency” (actual). The sum of remaining budget heads, excluding miscellaneous expenditure, debt servicing and donor funded project expenditure is detailed under “sum of rest”. The 20 largest administrative headings have been sorted by spending size, i.e. actual expenditure. The sorting has been done for each of the three FYs assessed.

Table 1: Approved and actual primary expenditures for FY 2011 *(in GMD)*

	Administrative heading	budget	actual	adjusted budget	deviation	absolute deviation	percent
1	**Min of Basic & Sec. Education**	636,734,516.00	657,888,612.52	673,574,324.5	-15,685,712.0	15,685,712.0	2.3%
2	**Min of Health &Social Welfare**	428,585,922.00	431,821,124.12	453,382,792.4	-21,561,668.3	21,561,668.3	4.8%
3	**Office of The President**	315,041,170.00	393,212,942.96	333,268,635.4	59,944,307.5	59,944,307.5	18.0%
4	**Ministry of Defence**	308,959,194.00	388,938,008.84	326,834,772.1	62,103,236.8	62,103,236.8	19.0%
5	**Min of Foreign Affairs**	353,408,396.00	380,260,390.82	373,855,689.7	6,404,701.2	6,404,701.2	1.7%
6	**Ministry of Interior**	340,180,498.00	358,429,221.79	359,862,459.8	-1,433,238.0	1,433,238.0	0.4%
7	**Min of Finance**	358,589,891.00	353,164,967.30	379,336,972.5	-26,172,005.2	26,172,005.2	6.9%
8	**Ministry of Agriculture**	168,486,584.00	137,746,676.02	178,234,781.0	-40,488,105.0	40,488,105.0	22.7%
9	**Min of Works, Construction and Infrastructure**	154,207,207.00	128,229,385.25	163,129,236.3	-34,899,851.0	34,899,851.0	21.4%
10	**Independent Electoral Commission**	8,343,391.00	107,733,824.00	8,826,118.0	98,907,706.0	98,907,706.0	1120.6%
11	**Pensions and Gratuities**	93,925,000.00	93,766,389.38	99,359,257.0	-5,592,867.6	5,592,867.6	5.6%

	Administrative heading	budget	actual	adjusted budget	deviation	absolute deviation	percent
12	**Min. of Higher Education**	87,928,178.00	79,034,068.70	93,015,474.4	-13,981,405.7	13,981,405.7	15.0%
13	**Min of Communications, Information and Technology**	58,716,391.00	63,030,967.13	62,113,569.2	917,398.0	917,398.0	1.5%
14	**Min. of Youth & Sports**	33,293,811.00	46,431,459.35	35,220,104.6	11,211,354.8	11,211,354.8	31.8%
15	**Min. of Local Govt & Lands**	40,720,167.00	45,862,498.92	43,076,130.3	2,786,368.6	2,786,368.6	6.8%
16	**Min. Of Economic Planning & Development**	58,615,000.00	45,202,755.56	62,006,312.0	-16,803,556.4	16,803,556.4	28.7%
17	**Judiciary**	53,691,290.00	44,618,676.84	56,797,728.9	-12,179,052.0	12,179,052.0	22.7%
18	**National Assembly**	40,645,050.00	43,194,030.91	42,996,667.2	197,363.7	197,363.7	0.5%
19	**Ministry of Justice**	42,599,884.00	34,237,187.34	45,064,602.9	-10,827,415.5	10,827,415.5	25.4%
20	**Min. of Fisheries & Water Resources**	39,000,102.00	32,162,539.06	41,256,546.8	-9,094,007.7	9,094,007.7	23.3%
21	Sum of rest	120,118,787.00	93,314,996.71	127,068,548.6	-33,753,551.9	33,753,551.9	28.1%
	Allocated expenditure	3,741,790,429	3,958,280,724	3,958,280,723.5	0.0	484,944,873.0	
	Contingency	125,600,100.00	84,918,032.33				
	Total expenditure	3,867,390,529	4,043,198,756				
	Overall (PI-1) variance						**4.5%**
	Composition (PI-2) variance						**12.3%**
	Contingency share of budget						**2.2%**

Sources: IFMIS, Appropriation reports in the Consolidated Government Financial Statements for FY 2011 (Audited).

Table 2: Approved and actual primary expenditures for FY 2012 *(in GMD)*

	Administrative heading	budget	actual	adjusted budget	deviation	absolute deviation	percent
1	**Min of Basic & Sec. Education**	662,533,251.00	688,610,377.15	757,315,096.0	-68,704,718.8	68,704,718.8	9.07%
2	**Office of The President**	323,946,265.00	542,607,510.11	370,289,938.5	172,317,571.6	172,317,571.6	46.54%
3	**Min of Health &Social Welfare**	446,045,763.00	481,748,564.26	509,856,960.9	-28,108,396.6	28,108,396.6	5.51%
4	**Ministry of Finance and Economic Affairs**	323,930,434.00	458,389,718.39	370,271,842.7	88,117,875.7	88,117,875.7	23.80%
5	**Ministry of Defence**	358,351,032.00	435,968,152.53	409,616,643.1	26,351,509.5	26,351,509.5	6.43%
6	**Min of Foreign Affairs**	397,075,848.00	410,210,303.80	453,881,421.8	-43,671,118.0	43,671,118.0	9.62%
7	**Ministry of Interior**	349,647,096.00	388,315,028.05	399,667,524.1	-11,352,496.1	11,352,496.1	2.84%
8	**Ministry of Agriculture**	228,274,540.00	251,865,205.09	260,931,439.9	-9,066,234.8	9,066,234.8	3.47%
9	**Min of Works, Construction and Infrastructure**	144,083,798.00	116,603,964.09	164,696,390.9	-48,092,426.8	48,092,426.8	29.20%
10	**Pensions and Gratuities**	95,925,000.00	104,948,014.16	109,648,007.1	-4,699,992.9	4,699,992.9	4.29%
11	**Min. of Higher Education**	127,791,145.00	84,001,187.58	146,072,915.0	-62,071,727.4	62,071,727.4	42.49%
12	**National Assembly**	51,569,984.00	78,117,711.22	58,947,573.3	19,170,137.9	19,170,137.9	32.52%
13	**Min. of Local Govt & Lands**	37,593,223.00	60,381,361.16	42,971,300.3	17,410,060.9	17,410,060.9	40.52%
14	**Judiciary**	45,831,407.00	51,813,839.38	52,388,036.9	-574,197.5	574,197.5	1.10%
15	**Min of Trade, Regional Integration and Employment**	58,680,683.00	51,714,286.26	67,075,527.2	-15,361,240.9	15,361,240.9	26.18%
16	**Min. of Youth & Sports**	21,868,464.00	45,978,321.34	24,996,961.1	20,981,360.2	20,981,360.2	95.94%
17	**Min. of Fisheries & Water Resources**	32,750,873.00	42,978,017.78	37,436,204.9	5,541,812.9	5,541,812.9	16.92%
18	**Ministry of Justice**	34,924,641.00	33,009,525.27	39,920,951.6	-6,911,426.3	6,911,426.3	19.79%
19	**Independent Electoral Commission**	31,527,212.00	29,174,000.00	36,037,487.2	-6,863,487.2	6,863,487.2	21.77%
20	**Min. of Forestry and Environment**	17,893,522.00	16,746,400.08	20,453,364.9	-3,706,964.8	3,706,964.8	20.72%
21	Sum of rest	84,566,178.00	55,958,294.40	96,664,194.8	-40,705,900.4	40,705,900.4	48.13%
	Allocated expenditure	3,874,810,359.00	4429139782	4,429,139,782.1	0.0	699,780,657.2	

	Administrative heading	budget	actual	adjusted budget	deviation	absolute deviation	percent
	Contingency	68,936,000.00	83,337,690.54				
	Total expenditure	3,943,746,359	4,512,477,473				
	Overall (PI-1) variance						**14.4%**
	Composition (PI-2) variance						**15.8%**
	Contingency share of budget						**2.1%**

Sources: IFMIS, Appropriation reports in the Consolidated Government Financial Statements for FY 2012 (draft accounts/unaudited).

Table 3: Approved and actual primary expenditures for FY 2013 *(in GMD)*

	Administrative heading	budget	actual	adjusted budget	deviation	absolute deviation	percent
1	**Min of Basic & Sec. Education**	751,022,737.00	808,576,184.23	996,947,226.2	-188,371,041.9	188,371,041.9	19%
2	**Office of The President**	346,106,647.00	763,895,338.21	459,440,233.6	304,455,104.7	304,455,104.7	66%
3	**Ministry of Finance and Economic Affairs**	382,654,011.00	615,114,166.00	507,955,133.8	107,159,032.2	107,159,032.2	21%
4	**Ministry of Defence**	372,304,616.00	574,374,820.43	494,216,800.5	80,158,019.9	80,158,019.9	16%
5	**Min. of Health &Social Welfare**	450,402,298.00	569,559,584.59	597,887,786.3	-28,328,201.7	28,328,201.7	5%
6	**Min. of Foreign Affairs**	403,028,632.00	564,625,917.49	535,001,481.2	29,624,436.2	29,624,436.2	6%
7	**Ministry of Interior**	378,306,666.00	546,036,315.20	502,184,238.5	43,852,076.7	43,852,076.7	9%
8	**Min of Works, Construction and Infrastructure**	166,027,424.00	214,814,976.12	220,393,566.9	-5,578,590.8	5,578,590.8	3%
9	**Ministry of Agriculture**	272,111,909.00	150,170,200.57	361,215,712.3	-211,045,511.7	211,045,511.7	58%
10	**Pensions and Gratuities**	95,925,000.00	104,403,030.94	127,335,908.7	-22,932,877.8	22,932,877.8	18%
11	**National Assembly**	53,384,184.00	102,243,392.22	70,864,983.9	31,378,408.3	31,378,408.3	44%
12	**Min. of Higher Education**	110,182,124.00	82,365,910.02	146,261,567.7	-63,895,657.7	63,895,657.7	44%
13	**Min of Regional Administration, Land and Traditional Rulers**	45,165,895.00	75,991,620.01	59,955,593.2	16,036,026.8	16,036,026.8	27%
14	**Min. of Fisheries & Water Resources**	36,954,215.00	65,537,614.96	49,054,975.7	16,482,639.2	16,482,639.2	34%
15	**Min of Trade, Regional Integration and Employment**	60,377,281.00	58,298,989.76	80,147,990.0	-21,849,000.2	21,849,000.2	36%
16	**Judiciary**	50,590,878.00	56,317,348.92	67,157,002.1	-10,839,653.1	10839653.14	21%
17	**Min. of Youth & Sports**	28,259,112.00	53,065,374.86	37,512,637.0	15,552,737.8	15552737.85	55%
18	**Ministry of Justice**	42,203,985.00	37,192,672.59	56,023,797.6	-18,831,125.0	18831124.97	45%
19	**Independent Electoral Commission**	19,660,712.00	22,333,580.00	26,098,667.0	-3,765,087.0	3765086.961	19%
20	**Min. of Forestry and Environment**	19,027,684.00	17,446,112.72	25,258,352.2	-7,812,239.5	7,812,239.5	41%
21	Sum of rest	99,157,958.00	70,178,012.32	131,627,507.8	-61,449,495.5	61,449,495.5	62.0%

	Administrative heading	budget	actual	adjusted budget	deviation	absolute deviation	percent
	Allocated expenditure	4182853968	5,552,541,162.2	5,552,541,162 .2	0.0	1,289,396,963. 6	
	Contingency	111,420,000.00	93,755,944.00				
	Total expenditure	4,294,273,968.00	5,646,297,106.16				
	Overall (PI-1) variance						**31.5%**
	Composition (PI-2) variance						**23.2%**
	Contingency share of budget						**2.2%**

Sources: IFMIS, Appropriation reports in the Consolidated Government Financial Statements for FY 2013 (draft accounts/unaudited).

Annex 3: Unreported Government Operations for FY 2013, Quantified amount/ Amount that could be assessed quantitatively

	Subvented Agencies for which data on subvention, total expenditure and own revenue was assessed						
	Name of Agency	**Size of subvention from CG budget in FY 2013 (actual expenditure)**	**Total expenditure for FY 2013 (actual)**	**Total expenditure for FY 2013 (actual) minus CG subvention for FY 2013 (unreported segment)**	**Own revenue/self raised revenue for FY 2013 (unreported)**		**Subvention from CG budget in % of total expenditure**
1	National Nutrition Agency (NANA)	5,400,000	5,899,192	499,192			92%
2	Gambia Competition Commission (GCC)	8,000,000	9,530,945	1,530,945	136,165		84%
3	National Disaster Management Agency (NDMA)	5,600,000	4,346,069	-1,253,931	235,806	-782,319 (difference between unreported expenditure and unreported revenue)	129%
4	National Council for Civic Education (NCCE)	2,000,000	3,068,603	1,068,603			65%
5	National Agency for Legal Aids (NALA)	3,000,000	4,832,673	1,832,673	417,829		62%
6	National Youth Service Scheme (NYSS)	4,000,000	4,773,960	773,960	1,050		84%

	Subvented Agencies for which data on subvention, total expenditure and own revenue was assessed						
7	Gambia Bureau of Statistics(GBOS)	16,000,000	19,626,130	3,626,130	2,910,098		82%
8	National Youth Council (NYC)	1.000,000	2,644,497	1,644,497	28,025		38%
9	National Sports Council (NSC)	1,000,000	2,485,288	1,485,288			40%
10	National Agency Against Trafficking in Person (NAATIP)	1,500,000	2,467,523	967,523	30,000		61%
11	Gambia Livestock Marketing Agency (GLMA)	8,642,000	11,522,630	2,880,630	1,039,968		75%
12	Alternative Dispute Resolution Secretariat (ADRS)	4,500,000	3,755,765	-744,235			120%
13	Gambia Maritime Administration (GMA)	7,000,000	11,846,051	4,846,051			59%
14	GPPA	12700000	17016069	4316069	4000000		75%
15	NRA	20,710,000	125,815,474	105,105,474			16%
				125.920.696**	8,798,941		
	Unreported expenditure and revenue in % of total CG expenditure for subvented agencies **			**1.65%**			
*This is the total taking -782,319 as overall unreported amount for NDMA and excluding the NYC for which the share of CG subvention is less than 50%. **Though own revenues end up as expenditures, where own revenues for a subvented agency are lower than the unreported expenditure they have not been considered as well to avoid double counting.							
B	**Funds**						
	NFF		**FY 2013**				
	Own Revenue (unreported)		3,592,898				
	Total Expenditure (unreported)		3122179				

	Subvented Agencies for which data on subvention, total expenditure and own revenue was assessed					
	Expenditure as % of total CG expenditure	0.041%				
	DRF					
	Total Expenditure (unreported)	5,263,450				
	Expenditure as % of total CG expenditure	0.07%				
	Total unreported for funds as % of total CG expenditure	**0.110%**				
		FY 2013				
C	**Education fees/self-raised revenue**	38,167,200				
	in % of total CG expenditure	**0.499%**				
	Total unreported assessed expenditure as % of total CG expenditure in FY 2013	**2.25 %**				

Sources: Data from NAO; MoBSE; DNT (MoFEA), NRA, SDF, NFF. Information from meetings with BD (MoFEA), MoBSE, MoHSW, MoTWI, GPPA, NRA, SDF, DRF and NFF.

Annex 4: Data on PEs and AGAs

Table 1: PEs as per DNT and PFM Reforms Unit, MOFEA information: Status of audit reports received and net worth *(in GMD)*

	Name of PE	Net worth of entity as per latest audit report available	FY of latest audit report available	Comments	
1	Social Security and Housing Finance Corporation	4921583000	**2013**	RECEIVED BY DNT	
2	Gambia National Petroleum	1036615000	**2013**	RECEIVED BY DNT	
3	Gambia Telecommunication Company Limited	870506000	2012	RECEIVED BY DNT	
	Gambia Revenue Authority*	615059000	**2013**	Draft accounts received DNT	
	Gambia Civil Aviation Authority**	579809000	**2013**	Draft Accounts Received by DNT in March; final audited accounts received in October 2014.	
4	Gambia Telecommunication Cellular Company Limited	273634000	2012	RECEIVED BY DNT	
5	Gambia Radio and Television Services	65950000	2012	RECEIVED BY DNT	
6	Gambia International Airlines	46693000	**2013**	RECEIVED BY DNT	

7	Asset Management and Recovery Corporation	38011499	**2013**	RECEIVED BY DNT	
8	Gambia Postal Services Corporation	27906512	**2013**	RECEIVED BY DNT	
	Gambia Ports Authority**	2289070	**2013**	RECEIVED BY DNT	
9	Gambia Groundnut Corporation	-27505000	2011	RECEIVED BY DNT	
10	National Water and Electricity Company	-1473218000	2012	RECEIVED BY DNT	
11	*Gambia Printing and Publishing Corporation (GPPC)*	*N/A*	*N/A*	*Information of entity from latest PAC/PEC Report*	*Listed as PE/Agency PAC/PEC report. Assessment considers it is a PE.*
12	*Gambia Ferry Services Management Company*	*N/A*	*N/A*	*Information of entity from latest PAC/PEC Report*	*Listed as PE/Agency PAC/PEC report.*
13	*Independence Stadium and Friendship Hotel*	*N/A*	*N/A*	*Information of entity from latest PAC/PEC Report*	*Listed as PE/Agency PAC/PEC report. It is also a subvented agency (according to transfers from CG budget).*

Source: Information from DNT and PFM Reforms Unit, MoFEA; NAO; PAC/PEC Report on the October 2013-February 2014 session.

*The GRA is reported as a PE in the statement of net worth of PEs in the consolidated accounts, but it is a AGA/subvented agency according to meetings and available data collected by the Assessment.
** Gambia Civil Aviation Authority and Gambia Ports Authority should also be AGAs.

Table 2: AGAs <u>: List of AGAs; Status of audit by NAO; status of reports received by DNT, MoFEA; Expenditure in FY 2013 *(in GMD)*</u>
(AGAs are sorted by size from largest to smallest; agencies listed from No 22 onwards are from PAC/PEC Report ; agencies listed from No 43 onwards are from data from DNT on subventions from the CG budget in FY 2013)

	Name of Agency	<u>2013 accounts /expenditure audited by NAO (Yes /No)</u>	Total expenditure for FY 2013	Comments	
1	<u>National Roads Authority (NRA)</u>	<u>N/A</u>	<u>125,815,474</u>	<u>Received by DNT for FY 2012</u>	
2	**Gambia Bureau of Statistics (GBOS)**	**Yes**	**19626130**	**Received by DNT for FY 2013**	
3	GPPA	N/A	17016069		
4	Gambia Maritime Administration (GMA)	**Yes**	11846051		
5	Gambia Livestock Marketing Agency (GLMA)	**Yes**	11522630		
6	**Gambia Competition Commission (GCC)**	**Yes**	**9530945**	**Received by DNT for FY 2013**	
7	**National Nutrition Agency (NANA)**	**Yes**	**5899192**	**Received by DNT for FY 2013**	
8	Gambia Standard Bureau (TGSB)	Yes	5861789		
9	<u>National Agency for Legal Aid (NALA)</u>	<u>Yes</u>	<u>4832673</u>	<u>Received by DNT for FY 2012</u>	
10	<u>National Youth Service Scheme (NYSS)</u>	<u>Yes</u>	<u>4773960</u>	<u>Received by DNT for FY 2012</u>	
11	National Disaster Management Agency (NDMA)	Yes	4346069		

12	Alternative Dispute Resolution Secretariat (ADRS)		3755765		
13	National Council for Civic Education (NCCE)	Yes	3068603		
14	National Youth Council (NYC)	Yes	2644497		
15	National Sports Council (NSC)	No	2485288		
16	National Agency Against Trafficking in Person (NAATIP)	Yes	2467523		
17	President International Award (PIA)	No			
18	Royal Victoria Teaching Hospital (RVTH)	No			
19	Serekunda General Hospital (SGH)	No		Management Letter for audit of FY 2012 and FY 2013 accounts received by DNT	
20	Gambia National Lottery (GNL)	No			
21	National Enterprise Development Initiative (NEDI)	No			
22	GRA	N/A			
23	**Gambia Civil Aviation Authority**		**579809000 (net worth;** expenditure not provided)	**2013 Draft Accounts Received by DNT in March; final audited accounts received in October 2014.**	Listed as PEs in the DNT MoFEA file

24	**Gambia Ports Authority**		**2289070 net worth;** expenditure not provided)	**2013 audit report RECEIVED BY DNT**	Listed as PEs in the DNT MoFEA file
25	Public Utilities Regulation Authority (PURA)	N/A	N/A	Information of entity from latest PAC/PEC Report. Report on the October 2013-February 2014 session.	
26	National Agriculture Research Institute (NARI)	N/A	N/A	Information of entity from latest PAC/PEC Report,	
27	Gambia Investment and Export Promotion Agency (GIEPA)	N/A	N/A	Information of entity from latest PAC/PEC Report	
28	National Environment Agency	N/A	N/A	Information of entity from latest PAC/PEC Report	
29	National Center for Arts and Culture (NCAC)	N/A	N/A	Information of entity from latest PAC/PEC Report	
30	Gambia Tourism Board /Authority	N/A	N/A	Information of entity from latest PAC/PEC Report	
31	Gambia National Library and Service Authority (GNLSA)	N/A	N/A	Information of entity from latest PAC/PEC Report	
32	National Training Authority	N/A	N/A	Information of entity from latest PAC/PEC Report	
33	University of the Gambia	N/A	N/A	Information of entity from latest PAC/PEC Report	

34	Gambia Technical Training Institute (GTTi)	N/A	N/A	Information of entity from latest PAC/PEC Report	
35	National Drug Enforcement Agency (NDEA)	N/A	N/A	Information of entity from latest PAC/PEC Report	
36	Gambia Agency for the Management of Public Works (GAMWORKS)	N/A	N/A	Information of entity from latest PAC/PEC Report	
37	Management Development Institute	N/A	N/A	Information of entity from latest PAC/PEC Report	
38	The Gambia Anti Corruption Commission	N/A	N/A	Information of entity from latest PAC/PEC Report	
39	The Gambia Human Rights Commission	N/A	N/A	Information of entity from latest PAC/PEC Report	
40	Farafenni General Hospital	N/A	N/A	Information of entity from latest PAC/PEC Report	
41	Bangsang Hospital	N/A	N/A	Information of entity from latest PAC/PEC Report	
42	Sulayaman Junkung General Hospital	N/A	N/A	Information of entity from latest PAC/PEC Report	

43	AFPRC General Hospital	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
44	Sheikh Zayed Regional Eye Care Centre	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
45	National Population Commission	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
46	National Aids Secretariat	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
47	Judicial Services Commission	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
48	Commission for Refugees	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
49	Fund for Drug Abuse (fund but also a subvented agency)	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
50	Small Arms & Light Weapons Commission	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
51	Gambia Tourism and Hospitality Institute	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
52	Senegalo-Gambian Secretariat	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	

53	National Council for Law Reporting	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
54	Gambia Law School	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
55	PROPAG	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
56	Gambia Veterinary Council	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
57	Maritime Council	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
58	The Village Savings And Credit Association of The Gambia (VISACA)	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
59	National Search Rescue Commission	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
60	Gambia National UNESCO Commission	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
61	Forum for African Women Educationalists, Gambia (Fawegam)	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
62	Gambia College	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	

63	Kanilai Academy	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	
64	Food Safety and Quality Authority (FSQA) (this may start to be fully operational in FY 2014 but had received a subvention in FY 2013).	N/A	N/A	Information from DNT data on transfers from CG budget for FY 2013	

Source: Information from DNT and PFM Reforms Unit, MoFEA; NAO; PAC/PEC Report on the October 2013-February 2014 session ; GPPA and NRA, Line Ministries.

Annex 5: List of Data and Documents Consulted

Methodology:

- Guidance on Evidence, 2007.
- Clarifications to the PFM Performance Measurement Framework of June 2005 (Updated by the PEFA Secretariat, September 2008).
- PEFA Secretariat, New and amended 'Clarifications' to the PEFA Framework, March 2012.
- The FieldGuide (FG), May 2012.
- Good Practices in Applying the PEFA Framework, revised (June 7, 2012)
- *Guidance Note on Good Practice when Undertaking a Repeat Assessment, Guidance for Assessment Planners and Assessors,* February 1, 2010.
- PI-2-Revised-Additional-Guidance-for-Assessors, January 10, 2011.
- Additional Guidance Note on Completing Revised PI-19 Based on the OECD-DAC Methodology for Assessing Procurement Systems (MAPS), January 10, 2011.
- The PEFA Secretariat's Guidance Note on "No Score" Methodology.
- *Enhanced Quality Assurance Mechanism for PEFA Assessments,* PEFA CHECK, March 6, 2012.

Donor Diagnostic Reports on PFM

- Republic of The Gambia, *Country Financial Accountability Assessment*, 2009.
- Republic of The Gambia, *Country Financial Accountability Assessment,* 2010.
- *Gambia Debt Management Performance Assessment*, April 2010.
- IMF, FAD, *The Gambia, Medium-Term Expenditure Framework: Challenges and Reform Priorities,* April 2014.
- IMF, FAD, The *Gambia, Budget Execution: The Way Forward,* September 2014.
- IMF, FAD, *The Gambia-A Strategy to reform income tax and tax incentives*, April 2014

Legal and regulatory framework

- Constitution *of the Republic of The Gambia, 1997,* reprinted 2002.
- Republic of the Gambia, *Public Finance Bill 2014*, March 2014.
- Government Budget Management and Accountability Act, 2004
- *Financial Instructions for the Implementation of the Government Budget Management and Accountability Act,* 2004.
- Gambia Public Procurement Act, 2001
- Laws of The Gambia, *Companies Act,* 29 July 1955.
- Local Government Act (Amendments) Sections 1-23, No.5 of 2002
- Local Government Finance and Audit Act, 2004.
- Finance and Audit Act 1964
- Loans Act 1970
- Central Bank of The Gambia Act 2005

National development strategies

- The Republic of the Gambia*, Gambia National Development Strategy: "Vision 2020",* 1996.
- The Republic of the Gambia*, Priority Action Plan, Programme for Accelerated Growth and Employment (PAGE), 2012-2015,* 2012.

PFM Reform strategies

- Government of The Gambia: *The PFM Reform Strategy (2010-2014).*

Budget documents

- Republic of The Gambia*, Estimates of Revenue and Expenditure, 2012, 2013, 2014.*
- Government of The Gambia, *Budget Framework Paper 2012-2015 (draft)*, MoFEA, September, 2011.
- Government of The Gambia, *Budget Framework Paper 2013-2015*, MoFEA, July 2012.
- Government of The Gambia, *Budget Framework Paper 2014-2016*, MoFEA, July 2013.
- Copy of MTEF Framework 2013 for 2014-2016.
- Government of The Gambia, *Budget Framework Paper 2015-2017*, MoFEA, June 2014.
- Budget overviews 2011, 2012, 2013.
- *Budget Speeches* for the FY 2012, 2013 and 2014 Budgets.
- Republic of the Gambia, MoFEA, "Budget Call Circular" 2013-2015.
- Republic of the Gambia, MoFEA, "Budget Call Circular" 2014-2016.
- Budget Submissions by Ministry of Basic and Secondary Education and MoHSW for the FY 2014 Budget.
- Republic of The Gambia, MoFEA, *Budget of the Government of the Gambia, 2014 Citizen's Edition.*
- Republic of the Gambia, *Budgeting within a Medium Term Framework, Guidelines,* GoTG, MoFEA, February 2013.
- The Gambia, Supplementary Appropriation Act, 2013, June 24, 2013.

Auditor-General annual reports

- 2011 Auditor-General's report on central government
- Audit manual 2010
- NAO Audit reports for FY 2012 and 2013 on the accounts of Local Councils.

Accountant General/Directorate of National Treasury Reports

- *Financial Statements For the Year Ended 31 December 2011* (audited), *Financial Statements For the Year Ended 31 December 2012* (draft/unaudited), *Financial Statements For the Year Ended 31 December 2013* (draft/unaudited).
- In-year budget execution report December 2013 (known as Commitment and Expenditure Summary)
- Government of The Gambia, *Classifications and Chart of Accounts,* issued December 2006, with amendments as of June 2013 and as at 31st December 2013.

Gambia Revenue Authority

- Value Added Tax Act, 2012
- Customs and Excise Act, 2010.
- Data on tax arrears as of 31 December 2012 and 2013
- Work Plan Education Programme , 2013-2014
- Samples of information dissemination material on taxation

Gambia Central Bank

- Public Debt Bulletin (2013)
- Samples of Monthly Fiscal reports (2013-2014)

Gambia Public Procurement Authority

- GPPA Act (2001)
- GPPA Act revised (2014)
- GPPA Regulations, Instructions, Standard Bidding Documents
- GPPA Annual Work Plan & Activity Report (2013)

Ministry of Lands and Regional Government

- Ministry of Lands and Regional Government, Inspection Report of Basse Area Council for the period October 2012 to December 31st 201, February 2014.

- Data on the expenditure of Local Councils from audited accounts and on the submission of audited accounts by Local Councils from the Directorate of Governance, Ministry of Lands and Regional Government.
- Documentation on requests for loans and overdrafts by Councils in FYs 2013 and 2014 and responses by the Ministry of Lands and Regional Government.

National Assembly

- The Gambia, Supplementary Appropriation Act, 2013, June 24, 2013.
- *Standing Orders of the National Assembly*, 2001 Edition
- Report of the Joint Session of Public Accounts & Public Enterprises Committees 2011, 2012, and 2013

Other official documents

- IMF, The Gambia, Staff Report on 2011 Article IV Consultation, January 2012. IMF Country Report No. 12/17.
- IMF, The Gambia, Request for a Three-Year Arrangement Under the Extended Credit Facility, May 9, 2012. IMF Country Report No.12/129.
- IMF, The Gambia, First Review under the Extended Credit Facility, May 7, 2013. IMF Country Report No. 13/139.
- IMF, The Gambia, Staff Report for the 2013 Article IV Consultation, September 2013. IMF Country Report No. 13/289.
- IMF, Government Finance Statistics, *Compilation Guide for Developing Countries,* September 2011.
- IMF, GFS Manual 1986.
- IMF, GFS Manual 2001.
- 2014 second quarter project progress report on "Institutional Support for Economic and Financial Governance (ISEFG) II.
- 2013 progress report on PFM reforms 2010-2014.
- AfDB and World Bank proposed joint general budget support policy matrix.
- Financial and Accounting manual for Local Government Authorities February 2009.
- IFMIS Project Governance Structure & IFMIS Project Paper
- AfDB paper on "Recent Macroeconomic Developments".
- Internal Audit Charter.
- Internal audit work plan
- Financial instructions manual
- Accounting manual for central government
- Development Cooperation Report 2012 - published November 2013
- National Aid Bulletin 2012 - published July 2013
- PFM Progress report 2012
- Draft National Health Accounts (NHA) 2014 for FY2011, FY2012 and FY2013 for Ministry of Health and Social Welfare
- Project completion report for public enterprises
- National policy on decentralisation and local development
- The Gambia Education Country Status Report 2010
- MoFEA, *Debt Sustainability Analysis,* (draft), October 16 2014.
- The Gambia Health Sector Investment Case for Accelerating Progress Towards the MGDs, 2013-2015, September 2012.
- The Gambia National Health Strategic Plan, 2015-2020 (draft).
- Republic of the Gambia, MoFEA, Strategic Plan, 2013-2015.
- Republic of the Gambia, Gambia National Agricultural Investment Plan (GNAIP), 2011-2015.
- Ministry of Trade, Industry, Regional Integration and Employment, *Medium-Term Programme, 2013- 2016.*
- MoTWI, Draft Strategic Plan 2015-2017, November 2013
- Republic of the Gambia, The Gambia National Strategic Plan for the Fisheries' Sector, 2009 – 2013, January 2009.
- Republic of the Gambia, Ministry of Basic & Secondary Education and Ministry of Higher Education, Research, Science and Technology, *Draft Education Sector Medium Term Plan, 2014-2017,* August 2013.

Other data and information

- World Bank*, WDI 2014* (latest update 17 October 2014).
- *Daily* Observer's article of 20 December 2013, online edition: http://observer.gm/
- Republic of The Gambia, State House Online. www.statehouse.gm.
- Data from DNT from the appropriation report in the financial statements and from IFMIS on budgeted expenditure (original approved budget), actual expenditure and revised estimates for FYs 2011, 2012, 2013;
- Matrices on status of Sector Plans and Costed Strategies for FYs 2013 and 2014 from the DDP.
- Cash plan for MoFEA for FY 2014.
- Cash allocation notifications for FYs 2007, 2013 and 2014 from MoFEA to the Ministry of Basic and Secondary Education.
- Data on virements from DNT for FY 2013.
- National Roads Authority (NRA), *Annual Audit Report and Financial Statements for the Year ended 31st December 2013,* Real Time Consulting.
- Data on Funds' expenditure and own revenue from NFF and DRF for FY 2013
- Data on expenditure, subvention from CG and own revenue from GPPA for FY 2013.
- Data on expenditure and revenues on fees in schools in FY 2013 through the *Unified Teaching Service Act*, from MoBSE.
- Data on transfers from the CG Budget in FY 2013 from DNT, MoFEA.
- Data on PEs and AGAs from NAO and MoFEA (DNT and PFM Reforms Unit) and from GPPA.

Annex 6: List of Stakeholders Interviewed

Name	Organisation	Position	Telephone	Email
Ministry of Finance & Economic Affairs				
Abdoulie Jallow	MoFEA	PS1		
Mod K Ceesay	MoFEA	PS2		
Ansumana Touray	MoFEA	Budget Director		
Omar Jallow	MoFEA		+220-9271013	Omarjallow19@gmail.com
Momodou Lamin Bah	MoFEA	Director, DNT	+220-9963930	Mlbah05@yahoo.com
Ousman Darboe	MoFEA	Senior Accountant	+220-9226344	Dousman2004@yahoo.co.uk
Sarja Camara	MoFEA	Principal Accountant, DNT	+220-3961029	scamara@mofea.gov.gm
Bakary Jammeh	MoFEA	Principal Accountant	+220-3961014	Bakarysatou2003@yahoo.com
Clara S. Mendy	MoFEA	Principal Accountant	+220-3961030	c.smendy@yahoo.com
Moussa Ba	MoFEA	Principal Accountant, Payroll	+220-3961031	mba@mofea.gov.gm
Omar K. Danso	MoFEA	ICT Officer, DNT	+220-9800921	omarkdanso@yahoo.com
Momodou Salifu Jatta	MoFEA	Deputy Director, ICT	+220-3961005	Ms-jatta@yahoo.com
Modou Ceesay	MoFEA	Principal Accountant, DNT	+220-3017020	modoums@yahoo.com
Jafa Ceesay	MoFEA			fsceesay@mofea.gov.gm
Aminata Touday	MoFEA			Aminata.touday@yahoo.com
Annie Carrol	MoFEA	Treasury Director	+220-9906392	adjuah@hotmail.co.uk
Ebrima Drammeh	MoFEA	Senior Accountant, DNT		ebdrammeh@hotmail.com
Lamin Fatty	MoFEA	Budget Officer		fattykm@yahoo.co.uk
S. Dambellah	MoFEA	PCU		sdambellah@yahoo.com
Kebba Touray	MoFEA	MPHU		kbtouray@gmail.com
Mutar Jammeh	MoFEA	NAOSU		mjammeh@gambia-ec.gm
Foday Sisamo	MoFEA	MPAU		Foday.sisamo@yahoo.com
M. Dramme	MoFEA	Internal Auditor		mdraame@hotmail.co.uk
Filly Suso	MoFEA	DDP		susofilly@yahoo.com
Alagie Fadera	MoFEA	Development Planner		alagiefadera@yahoo.com
Haddy Manka	MoFEA	Principal Accountant	+220-3882428	hmanka@mofea.gov.gm
Alfuseney Jabbi	MoFEA	Principal Economist	+220-9989094	Jabbi22@yahoo.com
Sulayman Gaye	MoFEA	Principal Economist	+220-9712551	Gayesulayman58@gmail.com
Bakary Krubally	MoFEA	Principal Economist	+220-9127579	Bakary.krubally@yahoo.com
Kabba Baldeh	MoFEA	Senior Financial Analyst	+220-7240471	Kabba06@yahoo.com
Lamin Trawally	MoFEA	Financial Risk Analyst	+220-6636202	Lsbtrawally57@yahoo.com
Amie Kolleh Jeng	MoFEA	Principal Economist		
PFM Reform Unit (MoFEA)				
Bai Madi Ceesay	MoFEA	Director	+220 76123 25	Fanafana99@hotmail.com;

Name	Organisation	Position	Telephone	Email
			+220 6166244	bmceesay@mofea.gov.gm
Mariama Mboge	MoFEA	PFM Officer	+220-9829202	Yamajeng2@hotmail.com
Awa Jobe Drammeh	MoFEA	PFM Officer	+220-3419099	Drammeh2080030@gmail.com
Abdou Salam Jatta	MoFEA	PFM Officer		Abdousalam89@gmail.com
Sarjo Sar	MoFEA	PFM (intern)		sajosar@gmail.com
Directorate of Loans and Debt Management (MoFEA)				
Njaga Gaye	MoFEA	Principal Loans Officer	+220-9710320	njagagaye@gmail.com
Ndumbeh Saho-Jobe	MoFEA	Senior Loans Officer	+220-9927124	sahojobe@yahoo.co.uk
Alaye Barra	MoFEA	Senior Loans Officer	+220-9814586	barraalaye@yahoo.com
Donors				
Agnes Guillaud	EUD	Charge d'Affaires	+220-4495146	Agnes.guillaud@eeas.europa.eu
Josselin AMALFI	EUD	Programme Officer		Josselin.AMALFI@eeas.europa.eu
Julien Bandiaky	AfDB	Senior Macro-Economist	+216-25807169	j.bandiaky@afdb.org
Annette De Kleine Feige	WB	Senior Economist	+1-202-4734710	Adekleine1@worldbank.org
Roberto O. Panzardi	WB	Senior Public Sector Specialist	+1-202-4739261	rpanzardi@worldbank.org
Cem Dener	WB	Senior Public Sector Specialist	+1-202-4737342	cdener@worldbank.org
Internal Audit Directorate (MoFEA)				
Masireh Drammeh	IAD	Senior Internal Auditor	+220-9923309	mdrammeh@hotmail.co.uk
Abdouli Touray	IAD	Internal Auditor	+220-7432619	Abdoulitouray98@yahoo.com
Mam Marie Jeng Ceesay	IAD	Senior Internal Auditor	+220-9902212	jengceesay@yahoo.co.uk
Abdoulie Sohna	IAD	Audit Trainee	+220-7817301	Sohna50@yahoo.com
Ebrima Sallah	IAD	Senior Internal Auditor	+220-9914648	Emasallah_1@hotmail.com
Hawa Sanneh	IAD	Audit Trainee	+220-9857031	Awa_sanneh@yahoo.com
National Assembly				
Hon Fabakay T. Jatta	NA	Majority Leader	+220-9963160	tatifaaljatta@yahoo.com
Hon Fatou Mbye	NA	Deputy Speaker	+220-9966654	mbyefatou@yahoo.com
Hon Samba Jallow	NA	Minority Leader	+220-9959139	Sambajallow163@yahoo.com
Hon Lamin Kebba Jammeh	NA	PAC/PEC Member	+220-9902289	LKTJ63@hotmail.com
Daniel Cardos	NA	Deputy Clerk - Legal Business	+220-9967756	Cardosd74@yahoo.co.uk
Buba M. E. Jatta	NA	Senior Asst Clerk	+220-9964505	Bubamass1@yahoo.com
Landing Jobe	NA	IT Programmer	+220-9292515	ljobe@assembly.gov.gm
Macro Policy Analysis Unit (MoFEA)				
Amie Khan	MPAU	Principal Economist		Khanamie5@gmail.com
Sohna Ceesay	MPAU	Economist	+220-7155111	sohnaceesay@gmail.com
Foday Sisamo	MPAU	Senior Economist	+220-9995492	Foday.sisamo@yahoo.com
Chilel Ceesay	MPAU	Senior Economist		ceesaychilel@gmail.com
Subvented Agencies and Funds				

Name	Organisation	Position	Telephone	Email
Ansumana A. B. Sonko	DRF	Principal Accountant	+220-9913751	Sonko.ansumana@yahoo.com
Lamin Fofana	SDF	Head of Finance	+220-7670910	Lanfofana1973@gmail.com
Sambou Nget	Dept of Forestry	Ag Director	+220-9913471	sambounget@yahoo.co.uk
Ebrima Darboe	GPPA	Accountant	+220-9800993	ebbdarboe@yahoo.co.uk
Central Bank of The Gambia				
Ismaila Jarju	CBG	Director Economic Research		ijarju@cbg.gm
Aisha Mendy	CBG	Senior Economist	+220 7880624	imendy@CBG.gm
Momodou Lamin Jarjue	CBG	Principal Banking Officer	+220-9856318	mjarju@cbg.gm
Liquidity Forecasting Committee				
Alaye Barra	MoFEA	Senior Loans Officer	+220-9814586	barraalaye@yahoo.com
Adama Jallow	MoFEA	Cadet Economist	+220-7835788	jallowadama@hotmail.com
Mariama Janke	MoFEA	Cadet Economist	+220-3958585	Jankey210@gmail.com
Momodou Lamin Jarjue	CBG	Principal Banking Officer	+220-9856318	mjarju@cbg.gm
Ansumana Touray	DoB	Director of Budget	+220-3961012	alntouray@yahoo.com
Ministry of Health and Social Welfare				
Alhagie Sankareh	MoH&SW	Deputy Director	+220-9927071	Sankareh_a@yahoo.com
Omar B. Njie	MoH&SW	Director	+220-9923816	njiebunomar@hotmail.com
Ramatou Sarr	MoH&SW	Deputy PS (Fin & Admin)	+220-3309003	Sarrjah3@gmail.com
Dr. Samba Ceesay	MoH&SW	DDHS	+220-3113514	sambac@hotmail.com
Janko Jimbara	MoH&SW	Director, HR	+220-9916043	kampung@live.com
Augustine B. Jame	MoH&SW	Senior Accountant	+220-9927332	
Samba Sallah	MoH&SW	Procurement Officer	+220-7805462	sambasallah@yahoo.com
Dawda Ceesay	MoH&SW	Deputy PS (Sector Planning)	+220-9988480	cdawda@hotmail.com
Vincent Mendy	MoH&SW	UN-Focal Person	+220-9805829	Vmendy25@gmail.com
Ministry of Agriculture				
Sherrifo Bojang	MoA	Permanent Secretary II	+220-9912781	Sherrifo_1@hotmail.com
National Audit Office				
Karamba Touray	NAO	Auditor General	+220-9966789	ktouray@hotmail.com
Pa Majagne Ndow	NAO	Director of Audit	+220-9920400	Pa_ndow@yahoo.co.uk
Gambia Revenue Authority				
Alhaji M. L. Conteh	GRA	Ag DCE		
Ousman Bah	GRA	HOCPA		obah@gra.gm
Malamin Sanyang	GRA	DTS		sanyangmala@gmail.com
John S. L. Gomez	GRA	DIA		jgomez@gra.gm
Alieu Bittaye	GRA	DMS		abittaye@gra.gm
Abdou M. C. Jallow	GRA	DCCO		abdoukarim@hotmail.com
Yankuba Darboe	GRA	DCG/HOC		yanksdarboe@yahoo.com
Essa Jallow	GRA	CDT		Essa_jallow@yahoo.co.uk
Ministry of Transport, Works and Infrastructure				
Nyanya Ndow	MOTWI	Principal Accountant	+220-9992043	Ndow_nya@yahoo.com
Malima Ceesay	MOTWI	Assistant Secretary	+220-7819195	malimaceesay@gmail.com
Mustapha Joof	MOTWI - NRA	Director of Finance	+220-9929241	mjoof@hotmail.com

Name	Organisation	Position	Telephone	Email
Ministry of Lands and Regional Government				
Saihon Sanjang	MoLRG	Permanent Secretary 1	+220-9235845	
Pa Kajaoo Darboe	MoLRG	Deputy Director	+220-9913810	
Directorate of Development Planning (MoFEA)				
Alagie Fadera	MoFEA - DDP	Director	+220-9930493	alagiefadera@yahoo.co.uk
Isatou Camara	MoFEA - DDP	Principal Planner	+220-9959419	Aisharahman84@yahoo.com
Filly Suso	MoFEA - DDP	Cadet Planner	+220-6823286	susofilly@yahoo.com
Fatou Jagne	MoFEA - DDP	Planner	+220-3999731	fatujagne@yahoo.com
Richard Gomez	MoFEA - DDP	Cadet Planner	+220-3864261	Grichard843@gmail.com
National Authorising Office Support Unit				
Mutarr Jammeh	NAOSU	National Authorising Officer	+220-4399625	mjammeh@gambia-ec.gm
Malang Nyass	NAOSU	Programme Coordinator	+220-9904226	mnyass@gambia-ec.gm
IFMIS (DNT, MoFEA)				
Momodou Lamin Bah	DNT	Director	+220-9963930	Mlbah05@yahoo.com
Lamin Singateh	DNT	Deputy Director	+220-4223553	laminesing@yahoo.com
Bakary Jammeh	DNT	Principal Accountant	+220-9997773	
Ministry of Basic and Secondary Education				
Baboucarr Bouy	MoBSE	Permanent Secretary	+220-9975892	Bbouy26@gmail.com
Sherif Yunus Hydara	MoBSE	Project Manager, PMU	+220-9966393	Sherif.yunus@gmail.com
GPPA				
Tumbul K Danso	GPPA	Director General	+220 9963053	tdanso@gppa.gm
E John Blunt	GPPA	TA/EU Adviser	+220	edevsol@bigpond.com
Serge Bertran	GPPA	TA/EU Adviser	+220 9420596	
Ibrahima Sangyang	GPPA	MCPP	+220 9962666	
Lalo Danso	GPPA	SMCDT	+220 9961364	
Kebbe AM Sallah	GPPA	DCDT	+220 9961449	
Ebrima A Touray	GPPA	IT Officer	+220 9871930	
PMO				
Pathe Jale	PMO	Deputy PS	+220 7885121	
Gambia Chamber of Commerce and Industry				
Alieu Secka	GCCI	CEO		
Sarah Conateh	GCCI	Manager Buss Development		
Beatrice A Prom	GCCI	Manager Cooperation Services		

Annex 7: Activities and calendar for the Gambia PEFA 2014 Assessment

	Activities	Dates of activities	Deliverable/ Date of submission of Deliverable	Remarks
1.	Briefing meetings	Sept 15	Briefing Meetings with EUD and MoFEA on 2014 PEFA Assessment	
2.	Draft Inception Report	Sept 16- Mon 22	Draft Inception Report submitted to EUD/ Monday September 22	
3.	Workshop preparation	Saturday September 20, Tuesday Sept 23.		
4.	Final Inception Report		Inception Report approved by AfDB, EUD and Government on October 3, 2014.	
5.	PEFA High Level Seminar and Functional Training	Wednesday 24 September	Wednesday 24 September	
6.	PEFA Functional Training and IR Presentation	Thursday 25 September	Thursday 25 September	
7.	Meetings with stakeholders, collection and analysis of documentation and drafting the draft PEFA Report and Aide Memoire	September 29 to November 6. Main meetings took place between September 29 and October 16; clarification meetings between October 20 and November 4.[76]		
8.	Mid-Term Update Meeting	October 16	Meeting with EUD and Key stakeholders to discuss status of data collection and meetings.	This step was been added to ToR as the Team considered it useful to have an opportunity to flag possible delays in data collection and/or meetings' implementation in time for delays to be addressed.
9.	Submission of draft Aide Memoire (AM) and main findings of Draft PEFA Report, to PFM Reform Unit, MoFEA, and EUD.	November 5/6		

[76] Only two meetings took place ahead of the Functional Training and Introductory workshop on the PEFA methodology.

10.	Debriefing meeting with MoFEA and EUD	Thursday November 6	Debriefing meeting with MoFEA and EUD on the PEFA Draft Report Main Findings and Aide Memoire ahead of dissemination workshop.	
	Workshop preparation and finalization of PEFA Report and AM according to Debriefing meeting	Friday November 7 and Saturday November 8.		
12.	Dissemination workshop	Monday November 10.	Presentation of Draft PEFA Report and Draft Aide Memoire main findings to the key stakeholders consulted during the Assessment.	
13.	-Finalize PEFA report and aide memoire in line with comments received at the dissemination workshop. -Clarify comments received	November 11, 12**.**	Deliverables: “Final Draft PEFA Report” and Final Draft Aide Memoire. Submission Date: November 12.	
14.	Minutes of dissemination workshop.	November 1314.	Deliverable: Minutes of dissemination workshop. Submission Date: November 14.	
15.	Submission of written comments by PEFA CHECK reviewers: EUD, AfDB, Government, PEFA Secretariat.	2 weeks after submission of Final Draft report.	**Modalities of submission:** -The Government submits *consolidated comments* to EUD; - The EUD sends the latter together with theirs and the AfDB’s comments to the Assessment team by November 26, in one	This process has been slightly modified by the IR compared to ToR due to the need to conform to Quality Assurance process and PEFA CHECK Requirements. Comments by the GoTG and the EUD not cleared at the dissemination workshop will be submitted in writing. Other PEFA Check Reviewers (AfDB and PEFA Secretariat) will also submit written comments.

			submission, and the PEFA Secretariat's comments when they are ready (Nov 26/Dec.1).	
16.	Team addresses PEFA CHECK Reviewers' comments and includes response to comments in annex as per PEFA CHECK requirements.	Deliverable: Final PEFA report before PEFA CHECK issuance. Submission Date: 2 weeks after reception of PEFA CHECK reviewers' and PEFA Secretariat Comments.		
17.	EUD submits report to PEFA Secretariat for issuance of PEFA CHECK endorsement; Final report issued.			

Annex 8: GAMBIA 2014 'REPEAT' PEFA ASSESSMENT REPORT - CONSOLIDATED COMMENTS from GoTG

Draft Report Page number	Comments	From Govt Institution For instance, GRA, GPPA, DNT, etc	Response from Assessment Team

Annex 9: Comments from other PEFA CHECK Reviewers and authors' responses