

**FINAL
REPORT OF THE INSPECTION
EXERCISE ON THE FRAUD
ALLEGATIONS AT THE KMC**

OCTOBER, 2021

FINAL INSPECTION REPORT IN RESPECT OF FRAUD ALLEGATIONS AT THE KANIFING MUNICIPAL COUNCIL KMC

Table of Contents

A. List of Abbreviations	I
B. Introduction	II
C. Methodology	II
1 A Loan Amounting to 12 Million Dalasi to acquire a piece of land measuring 100*100m	1
I Context	1
1.1 Findings	1
Recommendation	5
2. Solicitation of and receipt of a bribe of D30,000 by the CEO of KMC	6
II Context	6
2.1 Findings	6
Recommendation	8
3 Forgery of a letter captioned Guarantee (Purchase of Land Advance Agreement) KMCSWA dated 23 rd June 2021	9
III Context	9
3.1 Findings	10
Recommendation	11
4 Salary advance to Councilors	12
IV Context	12
4.1 Findings	12
Recommendation	13
5 Renewal of Staff Contracts	14
V Context	14
5.1 Findings	14
Recommendation	14
6. Staff Appointments from July 2020 to date	15
VI Context	15
6.1 Findings	15
Recommendations	15
7 Unilateral Stoppage of Salary Deduction	16
VII Context	16
7.1 Findings	16
Recommendations	16
8 Review of All Contracts Including ECOWTECH	17
8.1 Observation on the Contracts	19
9 Conclusion	20

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LIST OF ABBREVIATION

KMC	Kanifing Municipal Council
KMCSWA	Kanifing Municipal Council Staff Welfare Association
AGIB	Arab Gambia Islamic Bank
CEO	Chief Executive Officer
GPPA	Gambia Public Procurement Authority
HRM	Human Resource Manager
MoFEA	Ministry of Finance and Economic Affairs

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INTRODUCTION

Consequent on the purported fraud allegations leveled against the CEO of Kanifing Municipal Council and some staff by the Lord Mayor of the Council, the Ministry for Lands and Regional Government decided to dispatch a team of Inspectors to look into the matter and verify the authenticity of the fraud allegations. In order to establish the facts the Inspection Team was tasked to look into the following under mentioned sub headings; which also constituted the Terms of Reference for the exercise.

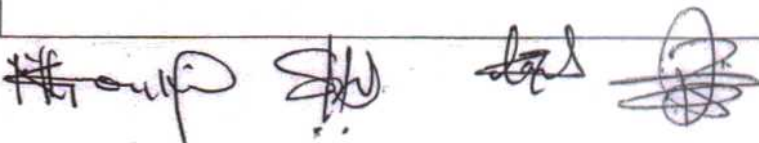
- A loan amounting to Twelve million dalasi purportedly secured in order to buy a parcel of land for senior management of KMC
- The allege forgery of a letter captioned: Guarantee Purchase of Land Advance Agreement purportedly written by the Council date 23rd June 2021 and sent to AGIB
- Salary advance to Councilors
- Renewal of staff contracts
- Solicitation and receipt of a bribe amounting to D30,000
- All contract awarded by the Council
- Unilateral stoppage of salary deduction
- Staff appointments from July 2020 to date.

In the process of looking at the aforementioned points certain revelations pop up and this prompted the team to look into these new revelations in order to establish the facts as contain in this report.

METHODOLOGY

The Inspection Team reviewed secondary data source including official letters, list of names of staff of the Council, bank accounts, contract letters, appointment letters, General Council minutes and other relevant documents. We also hold face to face interview with persons of interest such as the Lord Mayor, The CEO of KMC, Senior Officials of the Council, staff that were allege to have committed the fraud and we also meet third parties involved in the saga. We also embark on side visits to relevant institutions and locations.

II

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REPORT ON THE FINDINGS ON THE FRAUD ALLEGATION INSPECTION AT THE KMC

1. A loan amounting to 12 million Dalasi to acquire a piece of land measuring 100m x 100m

I. Context

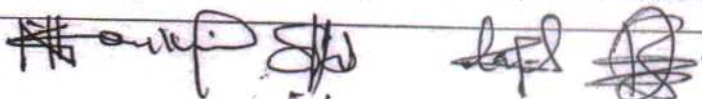
The Kanifing Municipal Council Staff Welfare Association (KMCSWA) did apply for a loan of Twelve Million Dalasi (D12, 000,000) from the Arab Gambia Islamic Bank (AGIB) and the Kanifing Municipal Council (KMC) was used as corporate guarantor. The said loan attracts an interest of D4, 030,511. The reason for applying for the said loan was purportedly to purchase a parcel of land for the senior staff of the Council. Sainabou Martin-Sonko upon assuming office as the new CEO had some plans for the staff that she wants to initiate. Among these plans was to help staff who do not have land to be able to acquire a plot of land through the KMCSWA. As a result of that, she decided to lead the efforts to search for a parcel of land and a loan to buy a parcel of land once it is found. This was all to be done through the KMCSWA. A list of thirty-five names of senior staff who are ostensibly interested in plots of land was prepared by Baboucarr Sanyang in consultation with Sainabou Martin- Sonko and was sent to AGIB. The bank wanted to have a list of those that are interested in plots of land as Part of the documents that should accompany the loan application form.

1.1 Findings

- a. The inspection team gathered that there was indeed a loan guarantee purportedly issued by the KMC on behalf of the KMCSWA in the tune of Twelve Million Dalasi (D12, 000,000) for the purchase of a plot of land for the senior management staff of the KMC. The plot of land measuring 100mx100m located at Brufut, belongs to one Mariama Fanneh and was valued at GMD7.5 million and GMD4.5 million, being open market and forced market value prices respectively, by Agbon & Associate a Real Estate Consultant firm. This company was recommended to the KMCSWA by AGIB bank because of their 'professionalism' in the way they do their property valuation over the years.
- b. In addition, when the KMCSWA applied for the said loan for the purchase of the aforementioned parcel of land; the bank did ask the Staff Welfare Association to provide the valuation price for the land. However, the Association could not provide the bank with a certified property valuation officer and that was when the bank recommended them to a property valuation company that have done similar business for clients of the bank before who happened to be Agbon & Associate.

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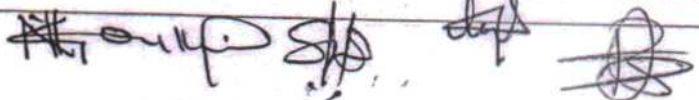
George Nyouki, Sainey Ndong, Lamin Dibba, Burama Jatta and Modou Jobe



- c. When the bank realizes that the forced sales value price for the said land was D4.5 million and the open market value price at D7.5 million, the bank decided not to take the Lease documents for the said land as collateral and instead requested for another type of collateral. This was when the idea of having a corporate guarantor was brought to the fore. This according to the bank, was requested for in the event that the KMCSWA defaulted in re-paying the loan and they wanted to recover their monies even if they are to sell the parcel of land at the forced sales value price and the market value price they would not be in a position to recover the loan that the KMCSWA was applying.
- d. The Inspection Team further gathered that despite Agbon & Associate informing the KMCSWA of the real cost of the plot of land as per their valuation, the latter decided to go ahead and purchase the plot of land at Ten Million Dalasi (D10,000,000). According to Baboucarr Sanyang (the treasurer of the association) "they have already agreed on the price with the landowner and that is what they were going to pay despite the valuation price of Agbon & Associate". It should be noted that the valuation was done for the consumption of the KMCSWA and not the bank. This was the reason why when the land valuation was being carried out an executive member of the KMCSWA in the person of Baboucarr Sanyang accompanied staff of Agbon & Associate to the parcel of land to witness the process.
- e. The Inspection Team gathered that there is no loan policy, instruments or document guiding the issuance of loans or the provision of loan guarantee within the KMC. However, it was noted that, if, there is any possibility of obtaining a loan for the KMC or if the KMC was to issue a loan guarantee on behalf of any entity within the Council, then it has to come to the attention of the General Council for ratification. Once ratified by the General Council the CEO would have to communicate the resolution of the General Council to the Minister for Local Government and Lands for approval.
- f. On the purported list of 35 senior staff that were interested in plots of land, it was discovered that two of them (Fatoumatta Saho Cham and Ebrima S.K Fofana) were no longer working for the KMC. The Inspection Team engaged the people who are on the list, and apart from Dr. Alieu Keita and the CEO Sainabou who are on the list and are aware of the transaction the rest all claimed not to be aware of any plot of land being negotiated on their behalf nor have any of them discussed with the KMCSWA to take a loan on their behalf to purchase a parcel of land for them.



- g. According to Sainabou Martin-Sonko and Baboucarr Sanyang, the reason for applying for a loan of 12 million Dalasi while they agreed with the landowner to purchase the land at 10 million Dalasi was that they wanted to use part of the monies to pay for the clearing of the parcel of land, pay for the demarcation of the plots and for the bank to deduct their charges. According to the duo, if they had applied for the exact amount they would have fallen short of the agreed purchase price with the landowner.
- h. It was discovered that the executive of the KMCSWA comprises thirteen persons but, it appears that only four persons (Bakary Jawo-President, Baboucarr Sanyang-Treasurer Mam Kaba Bass-Vice-president and a non-executive member Sainabou Martin Sonko) are the ones actively running the executive. When this 'executive' meets they mostly do not have a quorum yet the quartet mostly take decisions on behalf of the KMCSWA thereby violating the constitution of the association. Other members of the executive were neither involved in the transaction for the loan nor were they involved in the negotiation for the purchase of a parcel of land at Brufut. The people involved in the negotiation of the loan are CEO Sainabou Martin-Sonko, Baboucarr Sanyang, and Bakary Jawo. There is no evidence to suggest that the trio were negotiating the loan on behalf of KMCSWA. We could not find any minutes of the executive meeting where the matter of a loan was discussed nor do we see any evidence to suggest that the staff and management of the Council are aware of the transaction of the said loan.
- i. It was also discovered that the CEO Sainabou Martin-Sonko is not a member of the executive of KMCSWA as earlier stated as per the dictates of the constitution of the association. Base on that, CEO Sonko should not be a signatory to their accounts. However, she became one of the signatories to their account at the AGIB Bank which is not in line with the constitution of the association. Moreover, she signed a letter together with the president of the KMCSWA applying for a loan of 12 million Dalasi purportedly on behalf of the association in which she should not have even signed; for she is not a member of the executive of the association. This suggest that the CEO had a vested interested in the whole saga. The CEO told the Inspection Team that she was a signatory to the account because she wanted to 'monitor' the account in order to know the inflow and outflow of the funds in the account. It was put to her that she could have done that without being a signatory and she agreed to that proposition.
- j. It was revealed that the issue of applying for a loan on behalf of the KMCSWA was championed by the CEO Sainabou Martin-Sonko even though she is not part of the executive. According to her, she champions this cause because she wanted



to help her staff to acquire plots of land. Furthermore, the CEO is aware that in 2018 the KMCSWA took a loan at the Trust bank Limited and defaulted in paying that loan. As a result the KMC main account with the said bank was debited in order for the bank to recover their outstanding balance. This was because the KMC was used then as a corporate guarantor by one of the former CEO and when the association defaulted in repaying the loan the bank debited the sum of **D696, 609.77** being the outstanding loan balance which she is aware of.

- k. The corporate guarantee letter for the loan was signed by the Chief Executive Officer (CEO) Sainabou Martin- Sonko and Director of Finance, Dr Alieu Keita of the KMC thereby committing the Council to take full responsibility for the loan in case of default. The loan guarantee was neither brought to the attention of the General Council for deliberation nor was the consent of the MoLRG sought. It was discovered that the only thing that was stopping AGIB bank from approving the loan was the institutional or corporate guarantee letters since they have rejected the idea of using the land lease document as collateral as earlier noted.
- l. Upon receiving the corporate guarantee letter, AGIB immediately disbursed the funds to the account of the KMCSWA with the bank. On the same date, GMD10, 000,000.00 (Ten Million Dalasi) was transferred to the account of Mariama Fanneh with AGIB as the alleged cost of the land. GMD1, 500,000.00 (One million five hundred thousand dalasi) was withdrawn by Baboucarr Sanyang – the treasurer of the KMCSWA. The Inspection Team also discovered that Mr. Sanyang ostensibly paid the said amount to Mr. Sheriff Sarr of Sarr Construction Company situated in Kanifing, Jimpex Road who is a contractor and a former councillor of KMC for clearing, demarcating and paving of roads in the acquired land and payment of capital gain tax to the GRA. However, this could not be substantiated by the inspection team nor could Mr. Sanyang furnish the inspection team with any genuine receipt of payment emanating from Sarr Construction Company and GRA.
- m. It was also discovered that the CEO and her team of those who purchase the parcel of land do not know the price for each plot of land if they are to sell them to those that are purportedly interested in the land and are on the list nor do they have any payment plan towards servicing the plot of land. Even when the land was bought those that are on the list were never informed of the availability of the parcel of land and they were never called to a meeting to discuss how the land will be demarcated and sold in order for the KMCSWA to repay the loan that was applied. It should be noted that the CEO Sainabou Martin Sonko did state that in the event that Council staff could not afford the plots of land, they have

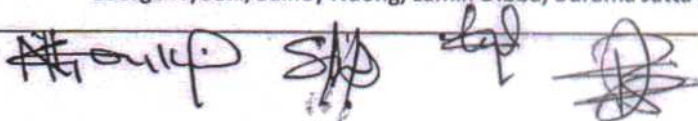


plans to sell these plots to people outside of council who could afford them thus they can have the money to repay the loan.

- n. It is observed that when the Lord Mayor called AGIB to cancel the loan transaction, the land owner returned the ten million Dalasi that was paid into her account. It happened that there was some monies already in the KMCSWA account with AGIB prior to the 12 million being deposited into the account. Therefore, when the whole deal was frozen the bank was obliged to debit the main account of the KMC of D985, 539.65 being the outstanding balance from the loan transaction.

RECOMMENDATION

- ✓ The Kanifing Municipal Council should desist from serving as corporate guarantor to any association within the Council.
- ✓ CEO Sainabou Martin Sonko, Baboucarr Sanyang, BakaryJawo and Dr. Alieu Keita must account for the monies that the AGIB bank has debited from the KMC main account with the bank amounting to D985, 539.65 being the outstanding balance of the 12 million Dalasi that the KMCSWA took from the bank.
- ✓ The executive members of the association should take up their responsibilities as dictated by their constitution.
- ✓ Mr. Baboucarr Sanyang must account for the D1, 500,000 that he personally withdrew from the KMCSWA account and he alleges to have paid it to Mr. Sarr.
- ✓ Only the executive members of the association as stipulated in their constitution should be signatories to their accounts.
- ✓ The CEO should be replaced as a signatory to the account of the Welfare Association.



2. Solicitation of and receipt of a bribe of D30, 000.00 by the CEO of KMC from ALMOT

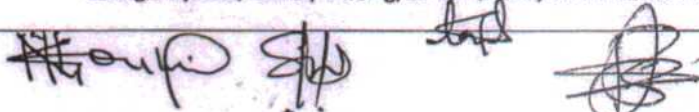
II. Context

A verbal agreement was entered into between ALMOT Real Estate Company and the KMC brokered by BolongBadjie a staff of the KMC for the purchase of One Hundred and Sixty-Seven (167) plots of land situated at Kunkujang village, (Gunjur) from ALMOT to be sold to the junior staff of the Council. This agreement was initiated when Jaja Cham was acting as CEO but there was no formal signing between the two parties. When the new CEO Sainabou Martin-Sonko assumes office she was informed about this verbal agreement that the Council had with ALMOT and she ordered ALMOT to produce all the legal documents for the said land. The CEO of ALMOT (Mr. Danso) eventually provided some form of documentation such as land transfer and it was accepted pending his acquisition of a lease document for the said land. It should be noted 19 other names were later added to the 167 names that constitute the initial agreement thus bringing the total number of plots to 186. These new inclusions were to be allocated their plots in another location in Kitty village.

Thereafter, a formal agreement was entered into between ALMOT and the KMCSWA; signed in the office of the CEO for the real estate company to provide the 167 plots of land for interested staff of Council at the cost of D60, 000 per plot payable in 40 months. It should be noted that the total cost for the 167 plots of land stood at Ten Million, Two Hundred Thousand Dalasi (D10, 200,000) as per the agreement between ALMOT and the KMCSWA. Staff who were interested in the plots have their salaries been deducted D1, 500 monthly, and these monies were collected by the KMCSWA and paid to ALMOT. These staff deductions started in October 2020 until May 2021 when the KMCSWA decided that ALMOT must show the staff their plots of land that they have been paying towards. In the absence of that, the association would stop making payments to ALMOT. When ALMOT failed to honour his side of the bargain, the KMCSWA decided to stop paying the staff deduction to ALMOT. This according to the CEO was to put pressure on Mr. Danso to stick to the earlier agreement for him to regularize the documents for his land as well as demarcate the land and allocate plots of land to the staff that are paying towards their plots. When the payment to ALMOT was not forthcoming, the CEO of ALMOT Mr. Alieu Danso decided to make a follow up about the monies. During the process of Mr. Danso going after his money, the following findings were gathered. (It should be noted that this land transaction is different from the Mariama Fanneh's land deal in which a loan of 12 million dalasi was applied for on behalf of the KMCSWA).

2.1 FINDINGS

- a. It was discovered that in a letter written by the CEO of ALMOT Mr. Danso to the CEO of KMC, (Sainabou) the former was requesting for the CEO of KMC to pay upfront the sum of D4.5 million Dalasi towards the payment plan for the plots of land for the Council staff.



- b. The D30, 000 allege bribery received by the CEO Sainabou Martin Sonko from the CEO of ALMOT Alieu Danso; is as a result of the contractual agreement to purchase plots of land for the KMCSWA. Mr. Alieu Danso allege that he once received a called from Baboucarr Sanyang stating that CEO Sainabou Martin Sonko requested for him to give her One Million Dalasi (D1,000,000) as 'cola nut'in order for her to speed up payment of the D 4.5 million he earlier requested to cover up a period of 12 months as first instalment. Alieu Danso allegedly declined to honour the request solicited by CEO Sonko. Mr. Danso later said that he was called again by Baboucarr Sanyang allegedly conveying another message from CEO Sonko that, Mr. Danso can now give her One Hundred Thousand Dalasi (D100, 000.00) instead, which Mr. Danso again said he does not have.
- c. However, Mr. Danso told the Inspection Team that it was after these calls that he decided to come and meet CEO Sainabou Martin-Sonko personally and persuade her to take Thirty Thousand Dalasi (D30, 000) instead. He said he gave the money to Sainabou in the presence of Baboucarr Sanyang in expectation of a favour to receive the D4.5 million he had earlier requested.
- d. The CEO Sainabou Martin Sonko also confirmed to the Inspection Team of receiving the D30, 000.00 from Mr. Danso. However, she denied the allegations that she received the money as a 'bribe' in order for her to expedite the payment. She further stated that it does not make any sense knowing that the KMCSWA did not have 4.5 million in its own account to make such payment to ALMOT.
- e. Sainabou Martin-Sonko further stated that she refused to take the offer of D30,000 from Mr. Danso of ALMOT thrice but she was later convinced to receive the money by Baboucarr Sanyang saying in wolof: "*li terranga la, teh terranga ken do kodeloh*", loosely meaning: ***This is a favour and no one rejects a favour.*** It was as result of the persuasion of her colleague Baboucarr Sanyang that she finally accepted the said money.
- f. However, in our engagement with Baboucarr Sanyang on the aforesaid, he denied ever been present when the CEO received an amount of D30, 000 from Mr. Danso.
- g. He further denied that he has ever told Mr. Danso that the CEO of KMC wanted him to give her One Million Dalasi and One Hundred Thousand

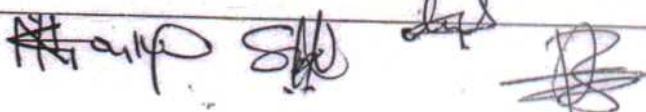


Dalasi respectively. Accordingly, he did admit that he has seen Mr. Danso in the CEO's office on two occasions but could not tell what they were discussing.

- h. In another separate engagement with Mr. Danso and Sainabou Martin Sonko respectively; they both confirmed to the Inspection Team for third time that in all their meetings Baboucarr Sanyang is always present and he was there when the CEO received the money.
- i. In having two admissions and one denial we have concluded that Mr. Sanyang was indeed present when the D30, 000 was given to CEO Sainabou Martin-Sonko. This is because Baboucarr did later admit that it could be possible that he was present when he was confronted with the admission of the CEO but could not remember if the money was given to Sainabou. Again there is no point for the CEO to accept receiving the money in the presence of Baboucarr when that was not the case.

RECOMMENDATION

- ✓ It was confirmed by both Mr. Danso and Sainabou Martin Sonko that the sum of D30, 000 passed hands between them and knowing that that was done during the course of executing her duties either covertly or overtly to influence her decision in favour of the request from ALMOT even though the KMCSWA may not have such monies is in itself is a betrayal of trust of a public official holding public office and therefore such a practice must be condemn and if possible sanctioned.
- ✓ CEOs of the Council should not use their office for private gains when executing their duties as public official.
- ✓ The staff welfare executive should totally desist from informal transactions with a third party without the knowledge of the general membership as they are representing the interest of the general staff and not themselves.
- ✓ The staff welfare executive should be transparent and accountable to their members at all times to ensure trust and confidence by organising Annual General Meetings.
- ✓ The welfare association should not look for money at the detriment of their members.
- ✓ The CEO of ALMOT must be held responsible for attempting to bribe a public official.



3. Forgery of a letter captioned "Guarantee (Purchase of Land Advance Agreement) – KMCSWA" dated 23rd June 2021

III. Context

The KMCSWA purportedly had plans to enter into another land deal on behalf of its members. It could be recalled that they had already entered into a deal with ALMOT for 167 plots of land. In their quest to buy morelands that will be later sold to their members led them to open two more bank accounts with Reliance Financial Service and AGIB bank. According to Baboucarr Sanyang and the CEO, the purpose of opening these accounts apart from the one they had with Trust Bank Gambia Limited was to negotiate with these financial institutions for a loan if they happen to come across anyone selling a parcel of land in which they are interested in.

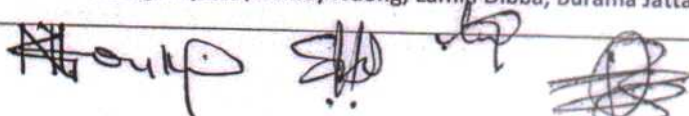
When the land that was on sale belonging to Mariama Fanneh situated at Brufut was brought to their attention; Sainabou Martin Sonko decided to call the land vendor and expressed interest in the land. This was followed by another call in which both parties arrange to go and visit the land. On the appointed date Baboucarr Sanyang went to represent the CEO to visit the Land. After he had visited the land he confers with the CEO and they both called the land vendor again to say that the KMCSWA was going to buy the land. They entered into series of negotiations and they finally agreed to buy the land at Ten Million Dalasi. After they had agreed on the price for the sale of theland with Mariama Fanneh; Sainabou Martin Sonko and Baboucarr Sanyang on behalf of KMCSWA decided to approach the AGIB bank for a loan. Initially they had wanted to apply for a loan of ten million Dalasi (D10, 000,000) but they were advised that if the parcel of land they wanted to buy was ten million Dalasi as they have stated; it was wise for them to apply for a loan that is above the price of the land considering that the bank was going to deduct the usual transaction fees.

This was when the KMCSWA decided to apply to AGIB a loan of Twelve Million Dalasi. When they submitted their loan application, it was reviewed by the bank together with the property valuation document done by Agbon & Associate. When the bank realizes that the force sales value for the said land is D4.5 million dalasi, it was decided that the KMCSWA should provide an institutional guarantee which was a usual thing that the bank asked for when institutions apply for a loan and they could not get all the required documents that the bank need as collateral. This prompted the KMCSWA and the CEO to draft a letter of guarantee and the Inspection Team made the following findings:

3.1 FINDINGS

- a. The CEO, Sainabou Martin-Sonko, Baboucarr Sanyang, and Bakary Jawo are the main people behind the application of the loan of D12, 000,000 on behalf of the KMCSWA. When the application for the loan by the KMCSWA was stalled, it was the CEO who went to the bank on a personal business and decided to speak to Mr. Samba Faye of AGIB about the status of the application made by welfare association. It was from that informal meeting with Mr. Faye that the CEO was aware of what had stalled the application for the loan which was that the capital valuation of the land done was far less than the amount of loan they have applied. In lieu of that the KMCSWA needed to provide an institutional guarantee letter to support the loan application.
- b. She then decided to approach the Lord Mayor regarding the issue of KMC to serve as institutional guarantee on behalf of the KMCSWA. The Lord Mayor allegedly enquired about the amount that the KMCSWA wish to apply and when the amount was known to him, he advised the CEO against the idea of using KMC as institutional guarantor for the said loan.
- c. The CEO approach the Lord Mayor again on the same issue on two other separate occasions and the Lord Mayor advised the CEO not to proceed with the application of the said loan and instead look for some cheaper alternatives if she wants to buy land for her staff.
- d. The CEO felt that since she initiated the idea of buying land to be sold to the staff and the only thing preventing her from having this loan in order to buy the land is the institutional guarantee and the Lord Mayor is not agreeing to the idea of KMC being used as collateral, She then decided to prepare a letter captioned "Guarantee (purchase of Land Advance Agreement)-KMCSWA" dated 23rd June, 2021, behind the back of the Lord Mayor which was sent to the bank.
- e. After she had written the letter and signed, she needed another person who is a signatory to the KMC account with AGIB bank and she decided to approach the Director of Finance Dr. Alieu Keita to be the second signatory to the letter while Baboucarr Sanyang and Bakery Jawo respectively signed as witnesses.
- f. Although the CEO claimed to have sent the said letter to the Office of the Mayor and the Clerk of Council for their information, but the Inspection Team could not find any evidence that this letter was ever sent to the Office of the Mayor and the Clerk of Council.
- g. However, the institutional guarantee provided to AGIB has fully committed the KMC to service the loan and its related cost in the event the KMCSWA defaults in paying back the loan. Under normal operating procedures within the KMC, if a loan was to be obtained by the Council or if an institutional guarantee is to be provided by the KMC for a loan, it should pass through the General Council for ratification.

If it is ratified by a General Council resolution, it would be forwarded to the Minister for Lands and Regional Government for final approval as per the Local Government

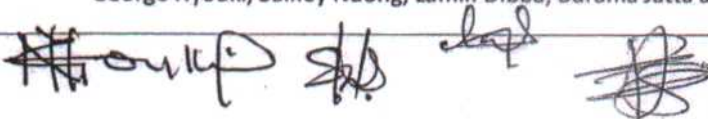


Finance and Audit Act 2004 section 14(1) which states that: *"A Council may with the prior approval of the minister raise funds for the discharge of its function"*. Accordingly, in signing an institutional guarantee purportedly from KMC on behalf of the KMCSWA to secure a loan from AGIB, the CEO Sainabou Martin Sonko acted ultra-vires by not passing the request to the General Council and not informing the mayor to whom she is answerable to. In addition to that the CEO flouted the embargo place on loans by the very Council she is serving.

- h. When the bank received the institutional letter of guarantee signed by both the CEO and the Director of Finance who are both signatories to the KMC main account, the bank assumes that due process has been followed since the letter is emanating from credible sources, decided to disburse the loan amounting to D12, 000,000 as applied.
- i. When the above transaction was brought to the attention of the Mayor, he quickly called the bank to reverse the transaction as he claimed he was not in the know. In addition to that the Director of Finance upon realising that the said transaction did not go through due process as per the workings of the Council regarding loan application also called Mr. Samba Faye of the bank to block the transaction. Mr. Faye did confirm that he received a called from Dr. Keita but it was too late; for the funds had already being paid into the account of the association.

RECOMMENDATION

- ✓ Those that sign the letter of guarantee committing KMC to be fully responsible for the loan must be held responsible for their actions.
- ✓ The Bank should have done due diligence when the documents submitted by the KMCSWA were sent there particularly on the signatories to the accounts of the association.
- ✓ The CEO's apparent disregard of the Mayor's advice and acting in silo tantamount to an act of insubordination and should be frown upon accordingly.



4. SALARY ADVANCE TO COUNCILLORS

IV. Context

There has been salary advance given to Councillors and staff of the Council since the days of the former Lord Mayor Yankuba Colley. When the new Mayor assumes office the same practice continues. Councillors and staff of the Council who are in dire need of cash do approach the Council through the Office of the CEO writing to apply for salary advance. When approval is granted, usually by the CEO and in some instances the Mayor, the applicant would be given his/her approved amount after reviewing the applicant's salary or allowance. The Council has no salary advance policy or guidelines to follow since the inception of this practice nor do they have salary advance file for staff or Councillors as a point of reference.

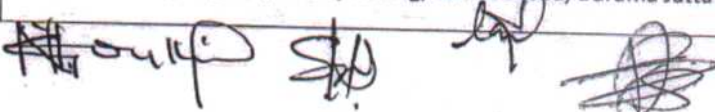
4.1 FINDINGS

- a. It is observed that some Councillors in some instances were giving loans which are five times more than their monthly allowances. For example, a particular Councillor once applied for a loan advance of D125, 000 which was to pay for the treatment of his child. Another Councillor also applied for a salary loan advance of D81, 000 which was approved. However, it should be noted that at the time of writing this report the Councillor who was given a salary advance loan of D125, 000 is yet to fully pay the loan and there is a balance of D20, 000.
- b. It is observed that salary advance loan to Councillors were not only given to a particular political party representatives at the Council; but for all the political parties that are represented in the Council who wish to apply for the loan.
- c. It is also observed that even members of staff who are not Councillors also benefited from this 'loan scheme'.
- d. It is observed that salary loan advance applications for the Councillors and members of staff were all approved by the CEO. In some instances the Mayor will okay the application before the CEO signed the approval for the monies to be paid to a particular Councillor.
- e. It is observed that the approval of the amount for the salary advance loans is left to the discretion of the CEO after she had seen the minutes of the HR Manager.



RECOMMENDATIONS

- ✓ It is recommended that salary advance loan to any person must not exceed 50% of his/her take home salary at any given time.
- ✓ The Council should develop a proper policy that will guide the issuance of salary loan advance to their staff and Councillors.
- ✓ All those that owe Council relative to a loan that was given to them both past and present staff must pay their salary loan advance in full.

The image shows four handwritten signatures in black ink, positioned below the printed names of the council members. The signatures are stylized and difficult to read, but they correspond to the names listed above.

5. RENEWAL OF STAFF CONTRACT

V. Context

The Council has an Establishment Committee that looks into personnel matters and the CEO by virtue of her position sits in that Committee. The Council awards two types of contracts for personnel: one is for a staff of the Council who reaches the statutory retirement age and the Council through the Establishment Committee feels that the services of such a staff are still needed. The other one is sought for the services of someone externally, people whose skills are rare and are unique and could not be found within the staff of the Council.

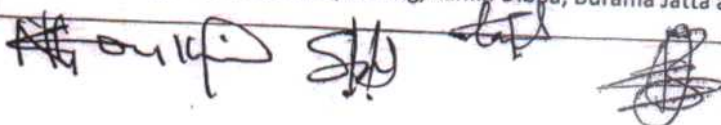
All contract matters are forwarded to the Establishment Committee who sits over them and make their own recommendations and these recommendations are forwarded to the Office of the CEO for further action.

5.1 FINDINGS

- a. It is observed that five people were awarded contracts during the period under review.
- b. It is observed that these five people's contract award letters were not copied to the Local Government Service Commission for their information.
- c. The contracts awarded are for one year subject to renewal.
- d. It is observed that The Council does not have a staff succession plan thus the awarding of contracts to retired staff of the Council.
- e. It is observed that all the contracts awarded in 2021 were signed by the CEO.
- f. It is also observed that some staff appointment letters did not capture their grade point.

RECOMMENDATIONS

- ✓ The Council should put in place a succession plan for members of staff.
- ✓ The Council should provide a scholarship scheme for the members of staff who will be trained in tailor made course for the effective and efficient functioning of the Council.
- ✓ Appointment letters should capture the grade points of the appointee.
- ✓ The Local Government Service Commission should be notified for any contract appointment by the council.



6. STAFF APPOINTMENT FROM JULY 2020 TO DATE

VI. Context

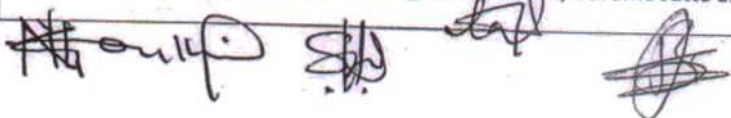
As already highlighted the Council has an Establishment Committee that is responsible for the hiring of staff that the Council need. Usually the management would come with a list of vacant positions that they want to be filled. These vacant positions are compiled and forwarded to the Establishment Committee for their most valid action. After the Establishment Committee had deliberated over the matter; whatever recommendations they came up with are sometimes brought to the attention of the Mayor who would then advised the CEO where necessary to do the needful. The Mayor does not deal with staff matters and this is the prerogative of the CEO who is the chief accounting officer of the Council.

6.1 FINDINGS

- a. It is observed that a total of eighty (80) staff were appointed /employed by the Council during the period under review without the knowledge of the Local Government Service Commission.
- b. Out of this number, eight (8) staff were above Grade 5 thereby contravening the communiqué that was sent to all Local Government Council by the local Government Service Commission who mandated the councils to only recruit and appoint staff from Grade 1 to Grade 5 after following the due process of recruitment. Staff above grade 5 are to be appointed by the Local Government Service Commission.
- c. The CEO appointed 8 staff above grade 5 knowing full well that she should have notify the LGSC of the vacant positions thereby acting ultra vires.
- d. The CEO appointed 72 staff ranging from grade 1-5 without copying the LGSC thereby failing in her duties.
- e. It is observed that all the appointment letters were either sign by the CEO or were signed for on her behalf.

RECOMMENDATIONS

- ✓ The Council must at all times comply with the established orders particularly when hiring staff.
- ✓ Staff that are grade five and above and are employed by the Council should have their status regularise by the Local Government Service Commission. Those that are Grade 5 and below should also have their appointments regularise and copied to the Local Government Service Commission.
- ✓ Council should communicate to the Local Government Service Commission of any recruitment and appointment of staff.



7. UNILATERAL STOPPAGE OF SALARY DEDUCTION

VII. Context

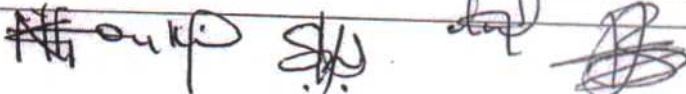
Refer to point number 2: Solicitation of and receipt of a bribe of D30,000.00 by the CEO from ALMOT for the context.

7.1 FINDINGS

- a. It is observed that the monthly deductions were been effected but these deduction were not being paid to the account of Mr. Danso, the CEO of ALMOT Real Estate.
- b. It is observed that staff who were being deducted from their monthly salaries for a period of seven months have neither been allocated a plot of land nor have they even seen the plots they are servicing.
- c. It is observed that some staff are now beginning to demand for their monies to be returned to them because they could not be allocated a plot.

RECOMMENDATIONS

- ✓ Staff that were being deducted monthly towards the payment of a plot of land from ALMOT Real Estate and could not have their plots must be refunded all their monies.
- ✓ The CEO of ALMOT must refund all the monies that were paid to him.



8. Reviews of All Contracts (Including ECOWTECH)

During the review of contracts by the Inspection Team, we first requested for list of contracts that the Kanifing Municipal Council (KMC) had signed with suppliers and all the necessary documentation with regard to the said contracts. The Table below shows the list of Contracts provided to the Inspection Team:

No	Contracts	Projects	Commence Date	Contract Amount	Completion Date	Contract Period
1	NOFAYLE	Setting up Municipal Bus Service	20-Jan-20	5,000,000.00		
2	BAJAM Enterprise	Bakoteh Dumpsite Fence	23-Apr-20	8,500,000.00		
3	NIANI SUPPLY	Police Uniform	21-Oct-19	1,650,000.00		2 Months
4	TENDER ENTERPRISE	Rehabilitation of Annex	29-Mar-20	3,250,000.00		2 Months
5	GREEN VISION	LatCumba Low Road Construction	26-Mar-19	2,708,640.00		3 Months
6	SHYBEN MADI A	Supply of 1 Nissan Patrol, Five Nissan Hard body Pickup, One Nissan Civilian 30 Seater	15-Feb-19	13,657,085.50		6-8 Weeks
7	FINISH PROFILE	SK Market Shed Construction	29-Mar-19	2,913,408.00		2 Months

17

George Nyouki, Sainey Ndong, Lamin Dibba, Burama Jatta and Modou Jobe

8	ESPACE MOTORS	19 Compactors Truck	15-Feb-19	105,000,000.00		2 Months
9	ESPACE MOTORS	Two Skip Truck, One 4*2 Compact or Truck, One Septic Emptier	15-Feb-19	17,164,192.85		2 Months
10	SOS CHILDREN VILLAGE	Reducin g Child right violation at the Bakoteh Dumpsit e and the Neighbo ring commun ities	25-Mar-20	N/A		
11	ECOWTECH	Automat ed Revenue Collectio n System	19-Mar-21	N/A		5 Years
12	ZEN CONSTRUCTIO NS	Construc tion of Reinforc ed Concret e Access Road KMC Annex		3,595,550.00		

18

George Nyouki, Sainey Ndong, Lamin Dibba, Burama Jatta and Modou Jobe

[Handwritten signatures]

8.1 Observation on the Contracts

During the contracts reviewed between the KMC and Third parties;

- (a). We observed that the entire above-mentioned contracts were signed between the council and the various vendors and Contractors.
- (b). **The NOFAYLE project** (Setting up Municipal Bus Service) according to the information obtained during the inspection, we were informed that project has been abandoned due to the inability of the awarded Contractor to honour the contract after having been awarded. It should be noted that this was a Public Private Partnership (PPP) agreement that could not go through because the private partner could not raise the required funds to purchase the buses. The GPPA annual registration for the said Contract wasn't seen.
- (c). **Bajam Enterprise, Niani Supply, Tender Enterprise, Shyben A. Mađi, Espace Motors, Zen Constructions:** The Inspection team is able to obtained all the GPPA Approvals and these contract have been discussed in the Contract Committee minutes and necessary approval haven been sorted in various procurement stages.
- (d). Regarding the **Finish Profile and Green vision:** During review of the Contracts, we could not ascertain the GPPA approvals for the said contracts but they were all duly discussed and recorded in the contract committee minutes.
- (e). **ECOWTECH:** A detail review of the ECOWTECH Contract was done with the said contract. The inspection confirmed that the said contract was discussed and recorded in the Contract committee minutes and approval was sought from GPPA in that regard. The procurement method used in the said procurement was restricted tendering were SC ENERGY SOLUTION, TACME, NIFTY, CAYOR, and Ecowtech bids were solicited.

Upon completion of reviews of various Offers, the two selected bidder (Ecowtech and SC Energy) were approved by the Council for presentation. Prior to that invitation for suppliers to send their bids, Ecowtech had initially intervned to make a free presentation about their services, which according to the CEO she queried it and consulted GPPA official on the Matter. The latter then informed the CEO that itis normal for them to make presentation since it is at no Cost to the Council.

Ecowtech was subsequently awarded the contract and the GPPA has given approvals, after having obtained the decision of the Contract Committee decision.

However, up to moment of writing down this report the inspection team couldn't obtained the 2021 Annual registration from GPPA for Ecowtech. It should also be noted that the CEO is a member of the Contracts Committee of the Council.

19

George Nyouki, Sainey Ndong, Lamin Dibba, Burama Jatta and Modou Jobe

9. Conclusion

The Inspection Team looked into the 12 million Dalasi loan allegedly obtained by the KMCSWA for the purpose of purchasing a parcel of land for the staff of the Council. We were able to identify the main actors behind the loan application and the circumstances bordering on the manner in which the loan was obtained. We were able to confirm that indeed there was a loan applied for purportedly by the KMCSWA and the KMC was used as corporate guarantor.

We were also able to confirm that CEO Sainabou Martin Sonko did take D30, 000 from the CEO of ALMOT Real Estate Company Mr. Alieu Danso. The manner in which this money was given and received left us with the suggestion that there is an element of bribery. We could not comprehend why anyone would give the sum of D30, 000 to anyone when the person is only doing his or her work. Here, the intent of Mr. Danso was clearly to influence the decision of the CEO Sainabou. This is because he told the Inspection Team that he was frustrated with the manner in which he was being treated and he wanted to do 'something' that would change the mind of the CEO. Perhaps Sainabou might not be aware of the true intent of Mr. Danso we expect her to know better and not to receive any money particularly in her office from a person that had a contractual agreement with the Council. This only suggests that there is an element of bribery.

The Inspection Team also came across a letter purportedly emanating from Council which was used as guarantee in which when the Welfare Association fails to repay the loan, the KMC shall be financially responsible for the Welfare Association's obligations. This includes the unpaid principal amount of the loan plus accumulated interest and costs. The manner in which the aforesaid letter was written and sent to the bank suggests that those who prepare the letter acted in silo.

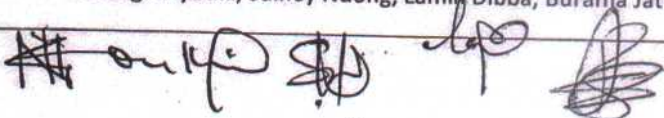
The Inspection Team established that Council do give salary advance to both Councillors and members of staff. Although we do not see any evidence to suggest that such a practice is illegal or wrong, however, it is our belief that to give anyone a loan more than 50% of his or her salary at any given month is not in the best interest of the Council and should cease immediately.

It was also observed that some staff were employed by the Council during the period under review but all these appointments were not copied to the Local Government Service Commission. In some instances 8 staff were employed by the Council without the expressed permission of the LGSC.

In reviewing all the contracts awarded by the Council we observed that most have all obtain GPPA approval and this therefore suggest that these contracts might have gone through the rigorous process hence the approval of GPPA. The Inspection Team looked into the suspended staff of the Council and did not find Mam Kaba Bass-Vice President KMCSWA wanting be it in the loan applied or the purported forgery of a letter that used KMC as

20

George Nyouki, Sainey Ndong, Lamin Dibba, Burama Jatta and Modou Jobe



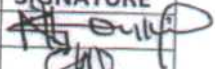

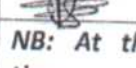

corporate guarantee. The CEO Sainabou Martin Sonko, Bakary Jawo- President of the KMCSWA and Baboucarr Sanyang-Treasurer of the KMCSWA have more questions to answer regarding this saga.

21

George Nyouki, Sainey Ndong, Lamin Dibba, Burama Jatta and Modou Jobe



This report is prepared and written by the following persons:

NAME	INSTITUTION	SIGNATURE
1. George Nyouki	Ministry for Lands & Regional Government	
2. Sainey Nding	Ministry for Lands & Regional Government	
3. Lamin Dibba	Directorate of Internal Audit, MoFEA	
4. Burama Jatta	Directorate of Internal Audit, MoFEA	
5. Modou Jobe	Directorate of Internal Audit, MoFEA	NB: At the time of signing this report, Mr. Jobe is not in town hence he could not append his signature.

