

About

To foster trust and promote public confidence in the accounting profession, and increase the credibility of financial reports, improve governance standards, and oversee the quality of audit and assurance engagements.

**THE GAMBIA FINANCIAL REPORTING OVERSIGHT BOARD
(FROB)**

ADOPTION AND COMPLIANCE WITH PUBLIC INTEREST ENTITY RULES (Vol 1) 2024

Pursuant to Section 76(1) and Section 49 of the Financial Reporting (FR) Act, 2013 the Financial Reporting Oversight Board hereby presents the following rules:

And in exercise of the powers conferred by Section 76(3) of the FR Act, 2013, **I Seedy K.M Keita Minister of Finance and Economic Affairs** of the Gambia hereby approve the following Rules on the advice of the Financial Reporting Oversight Board.

[Commencement/Effective Date: _____]

1.0 APPLICATION/SCOPE

From the /effective date, these rules shall apply to:

- a) All Public Interest Entities (whether listed or not);
- b) All Private Companies that are holding companies of Public Interest Entities or other regulated entities.
- c) Professionals involved in the Financial Reporting process of Public Interest Entities.

These entities (a & b) shall report on the compliance of these rules in their annual reports for the financial years ending after January 2024 in the form and manner as prescribed by The Gambia Financial Reporting Oversight Board (FROB).

2.0 CITATION

These rules may be cited as rules on adoption and compliance with Public Interest Entity Rules (Vol 1 2024).

Made at Banjul on this _____ day of _____ 2024.

Seedy K.M Keita
Honorable Minister of Finance & Economic Affairs

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Rule 1: Definition of Public Interest Entities Under Section 2(e) of the FR Act 2013

The FR Act 2013 section 2 (e) gave authority and powers to the Board to prescribe thresholds as part of defining public interest entities (PIEs). Pursuant to this section, the thresholds for the purposes of defining PIEs shall be as published by the Board under section 2 (e) of the FR Act 2013 and shall be effective at such time and date as may be prescribed by the Board.

Rule 2: Registration Fees Requirement for Public Interest Entities Under Section 53 (c) & 57 of the FR Act 2013

To give effect to the provisions of Section 53 (c) of the Financial Reporting Act of 2013 regarding the registration fees of Public Interest Entities and registered auditors. The registration fees for Public Interest Entities (PIEs) and PIE auditors shall be as set by the Board and shall be effective at such time and date as may be prescribed by the Board.

Rule 3: Certification requirement for Annual Reports of PIE

This provision relates to the certification of financial statements by individuals holding the positions of Head of Institution or Accounting Officer and Head of Finance and/or any persons responsible or acting in these roles within an entity necessitate the certification of various financial documents, including the annual report, financial statements, accounts, financial reports, returns, and other financial-related documents. This certification shall include their respective Financial Reporting Oversight Board (FROB) registration numbers.

The requirement is that the Head of Finance providing the certification must be a professional member (Chartered Accountant) of an accounting body with good standing, established by the FR Act, 2013 (GICA). Should any PIE not meet this requirement by its effective date shall have one year grace period after the effective date to comply. The certifying professionals shall include their FROB registration number.

Rule 4: Certification Requirement for Professionals Involved in the Financial Reporting, Auditing and Assurance Services.

The Board issues the following directive:

- a) Any professional certifying any portion of an annual report, financial statements, accounts, financial report, returns, or other documents of a financial nature shall affix their signatures along with their FROB registration number.

- b) A reporting entity shall also disclose the details of any professionals engaged in providing assurance services regarding the accounts, financial statements, and other financial documents in the notes to the financial statements. The details shall encompass the professional's name, the name of their professional firm or entity, the firm's FROB registration number where applicable, and a concise description of the services provided.

Rule 5: Provision of “Audit” and “Non-Audit” Services

The remuneration paid by an entity to its external auditor(s) is presented as a separate line item in the notes accompanying the financial statements of the entity.

Disclosure of these non-audit services and the associated fees in the footnotes of its financial statements. In instances where no non-audit services were rendered during the fiscal year, this absence shall also be disclosed.

For the purpose of quality control examination by FROB, the auditing firm shall maintain documentation indicating that these services were performed with the approval of the audit engagement partner, who must have verified that the non-audit service(s) are not prohibited and do not present any significant risk to the independence and objectivity of the auditing firm.

Rule 6: Submission of financial statements for which External Auditors Express opinions other than unqualified opinion.

The FROB shall be provided with copies of all qualified reports, along with detailed explanations for such qualifications, from auditors of the financial statements within 30 days of the date of qualification. These reports shall not be made public until all accounting issues pertaining to them are resolved by the FROB.

In line with this, the FROB clarifies that the reports it requires include all types (emphasis of matter, qualified, adverse, disclaimer, etc.), except for unqualified reports issued by external auditors on annual reports, financial statements, accounts, financial reports, returns, and other financial documents.

Rule 7: Fit and Proper Test for Individual External Auditors and Chartered Accountants

To qualify for registration as an auditor and PIE professional with The Gambia Financial Reporting Oversight Board (FROB), the professional must undergo the Fit and Proper test based on the following requirements:

1. Shall be a registered member of the Gambia Institute of Chartered Accountant (GICA)
2. Complete the registration application provided by FROB.
3. Letter of Good Standing from GICA
4. Pay an annual registration fee as approved by FROB

The FROB can remove or de-register professionals involve in the financial reporting professional that does not meet or continue to meet the fit and proper test requirements. The FROB can publish de-registered professionals on national newspapers in serious cases of ethical violations and negligence.

Rule 8: Registration of Professionals involved in the Financial Reporting Process

1. A person shall not hold any appointment or offer any service for remuneration as a professional involved in the financial reporting process for public interest entities unless he/she is registered with the FROB.
2. A person who wishes to be registered shall make a written application to the FROB in the prescribed form and pay the registration fee as set by FROB.
3. An application made under sub-rule (2) of this section shall be accompanied by such fees and such information as the FROB may require.
4. Where the FROB is satisfied that the applicant holds a practicing certificate, the FROB shall enter the name of the registered professional and such particulars as it considers relevant, in the Register of Professionals.

Rule 9: Submission of Financial Statements to FROB

The Board shall receive copies of annual reports and financial statements of Public Interest Entities within 60 days of Board of Directors approval from the reporting entity.

Where a public interest entity files any financial statements and report with any government department or authority, the entity shall also file a copy of the financial statements and reports with the FROB within 30 days, in such manner as may be set out in the rules of the Board.

Accordingly, relevant entities who fail to comply with the above-named sections shall be liable to civil, administrative, and criminal sanctions within the latitude of the Financial Reporting Act of 2013 and its subsidiary legislation.

Rule 10: Other National Disclosures

In addition to the requirement of adopted financial reporting frameworks, FROB hereby directs the inclusion of Five-Year Financial Summary as supplementary information to the financial statements under “Other National Disclosures”.

Rule 11: Functional and Presentation Currencies

The FROB hereby specifies that the presentation currency for all general-purpose financial statements in The Gambia, is the Gambian Dalasis. This includes, but not limited to, statements filed for all statutory purposes.

Rule 12: Statutory Audit Committee and other Board Committee(s) responsible for Audit

Every public interest entity shall notify the FROB of changes in Audit Committee(s) membership during the year stating reasons for such changes and their tenure on the Board Audit Committee.

Rule 13: Restriction of Auditor’s Logo, Brand, and other forms of Identities in their Clients’ Annual Financial Reports.

The Financial Reporting Oversight Board (FROB) hereby directs that inputting auditor’s name, logo, brand, or any form of identity on any page of the annual reports and financial statements

other than the opinion report pages should henceforth be discontinued, failing which appropriate sanctions shall apply.

Rule 14: Provisional Measures & Public Representation rule:

SAMPLES

Sample Rule of 4 Requirements

Mr(s) [Full Name], FCCA FROB-P/2024/GICA/0001

Full Name of Firm/Practice/Public Auditor

FROB-F/2024/GICA/08/0001

Firm/Practice/Public Auditor Address

Dated: xxxx