



CENTRAL BANK OF THE GAMBIA

REMARKS BY GOVERNOR MOMODOU BAMBA SAHO

On the Occasion of the Reception to re-launch PKF in The Gambia

19 September 2007, Sheraton Hotel, Brufut, The Gambia

- Distinguished Guests
- Ladies and Gentlemen

1. It is a great pleasure to be here this evening.
2. I would like to begin by thanking Donald for the invitation to make some remarks. I wish to congratulate him and his partners in Pannell Kerr Forster (PKF) for re-launching the firm in The Gambia. I wish you continued success in this new endeavour.
3. The timing of this re-launch could not be better, taking place as it does in the context of optimism about The Gambia's economic growth prospects.
4. We are witnessing unprecedented change and progressive times for The Gambia. Real GDP grew at an annual average rate of 6.4 percent during 2003–2006, reflecting strong growth in the construction, telecommunications, and tourism sectors. This positive trend is expected to continue with the Gambian economy projected to grow at a robust 7.0 percent in 2007. Inflationary pressures have been

subdued with the annual rate in the single digits. External and fiscal positions have strengthened significantly and the latest projections show further improvements in the economic and financial indicators.

5. However, macro economic stability alone is not enough. Significant efforts are still needed to promote policies conducive to higher growth and poverty reduction. This is achievable if we keep implementing appropriate structural reforms, enhancing productivity and competitiveness of the economy and increasing domestic savings and external private capital inflows to boost investment.
6. An important element of this process is to have sound, well managed public and private sector establishments that contribute to economic development. All of us involved in the financial reporting chain – regulators, accountants, auditors, and standard setters – have a role to play. It is recognized that strong accounting policies and auditing practices and improved public disclosure by businesses and governments can impact positively on investor confidence and market discipline. Economic actors need timely, relevant, accurate and sufficient information in order to evaluate risks and therefore price and allocate resources appropriately to the most efficient organizations.
7. The Gambia has made significant progress in creating the enabling environment for private sector growth. However, if we are to make meaningful progress in attracting new and significant amounts of investment capital, either from domestic or external sources, business as usual would not be enough. Gambian businesses must migrate

from the old arrangements of closed owner-managed entities to embrace sound accounting and corporate governance principles that would promote investor confidence and attract new investment.

8. The presence of accounting firms which provide assurance, advisory and consultancy services to a global standard of quality would no doubt help provide feedback to stakeholders that sound policies and practices are being followed and that management and directors take appropriate corrective actions in response to identified internal controls weaknesses.
9. In addition to this, the growth of the economy means that there are now more private sector, public sector and civil society organizations that require auditing, accounting and advisory services. The establishment of PKF – with its global connections - should increase the options available to them and make it easier for them to implement effective audit rotation policies. It is also expected that the delays currently being experienced in the finalization of audit reports would be reduced with one more big player in the market.
10. I am aware that PKF was present in The Gambia for a long time until it discontinued operations sometime in 1996. It is notable that PKF took over an existing and well established practice in The Gambia on 01 April 2007. We are pleased that at this important phase in the development of The Gambia, PKF has shown confidence in the Gambian economy by renewing its operations. We are pleased to see that you are fully committed to the future of The Gambia.

11. It is worth mentioning that PKF UK and PKF The Gambia are collaborating in a DFID funded financial governance programme in The Gambia which is expected to last for four years. The objectives of this programme are to provide integrated and cohesive institutional and capacity building with emphasis on training and transfer of knowledge to the three key public financial management institutions in The Gambia, namely, Department of State for Finance and Economic Affairs, Treasury Directorate and the National Audit Office.

12. As you are aware, in recent years, accounting and auditing scandals have been brought to public attention in an unprecedented manner. The need to restore investor confidence in industrialised country capital markets has sparked efforts on the part of governments, standard setters, regulators and investors to strengthen the standard setting processes and put pressure on auditors and businesses to ensure rigorous accounting, auditing and disclosure practices.

13. These corporate financial scandals have no geographical boundaries and could theoretically happen anywhere. Thus there is a need for continuous vigilance on the part of all those involved in the financial reporting chain to ensure that we continue to strengthen and harmonise accounting standards, restore sound accounting, auditing and disclosure, and implement stronger internal control systems and transparency frameworks. PKF, with the resources of its global network available to it, should play an important role in this process.

14. Ladies and gentlemen, let me conclude by once more paying tribute to the partners and their staff and to congratulate them on the occasion of the re-launching and wish them success. The partners have been involved in audit and professional accounting practice for many years. I have no doubt they will be able to complement the services offered by existing accounting firms and to contribute to enhancing the quality of financial reporting in The Gambia. I hope that the new corporate image and services you are now offering give you an opportunity to build on what you have achieved so far and I look forward to more successes in the future.

I thank you for your kind attention.

MOMODOU BAMBA SAHO
GOVERNOR
CENTRAL BANK OF THE GAMBIA
19 SEPTEMBER 2007