



**The States' Fiscal Transparency, Accountability and Sustainability (SFTAS)
Program for Results**

2019 Annual Performance Assessment (APA) Report

ADAMAWA STATE

By:

**The Office of the Auditor General for the Federation as the SFTAS Independent Verification Agent
with support from JK Consulting Co. Ltd**



November 2020

Table of Contents

1. Executive summary	3
2. Introduction.....	5
2.1 Overview	5
2.2 Scope.....	5
3. Assessment Results	6
3.1 Findings	6
4. Response from the State	33
Appendix A – Report on the achievement of the Eligibility Criteria for 2019	34

1 Executive Summary

This Report details the outcome of the Annual Performance Assessment (APA) conducted on Adamawa State for the second (2019) year of the four-year SFTAS Program. In conducting the APA, the verification team assessed how the State performed against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines and verification protocol.

Table 1 (below) reflects the outcome of the 2019 APA for Adamawa State and shows areas where the State achieved results. In total, Adamawa State achieved **8 (Eight)** DLRs out of 15 (fifteen) DLRs applicable to 2019 while one (1) DLR was achieved in 2018.

We further identified several areas where the State can improve its performance for the next APA, and these are set out in detail within Section 3 of this report. In summary, the State should do the following:

1. **DLR 1.1:** Budget implementation reports should include, at a minimum, the approved budget appropriation for the year for each organizational unit (MDAs), and for each of the core economic classifications of expenditure (Personnel, Overheads, Capital, and Other expenditures). It should also state balances against each of the revenue and expenditure appropriations. The balances should also be provided on a consolidated basis across the four (4) expenditure classifications. The State should ensure that quarterly report is published within the expected average of 6 weeks after the quarter end.
2. **DLR 1.2:** Expenditure outturn deviation is reduced to a level within the annual requirements for this result.
3. **DLR 3.0:** Develop a functional State-level TSA where all Government revenues are credited into before expenditure, formally approve a cash management strategy, and increase the percentage of state government finances flowing through the TSA to at the least the minimum required to achieve this result.
4. **DLR 5.1:** Biometric data of all the State's civil servants and pensioners is captured and linked with the State's payroll to reduce fraud.
5. **DLR 6.1:** Amend the Procurement Law to comply fully with the provision for the establishment of an independent Procurement Regulatory Agency in accordance with the UNCITRAL Model Law.
6. **DLR 8:** A Domestic Arrears Clearance Framework (ACF) is established and an internal domestic arrears database with relevant balances placed online through a publicly accessible portal. Domestic arrears are cleared year on year to achieve total reductions in arrears in line with the targets set for this DLR.
7. **DLR 9:** Strengthen the State's debt sustainability by achieving the levels of debt indicators that are below the thresholds established for this DLR.

Table 1: Assessment Results

Key:	Achieved ■	Not Achieved ■	Previously Achieved ■
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY19 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		The State published the quarterly report in an average of 25 weeks.
	DLR 1.2: FY19 deviation for total budget expenditure is < 25%		Budget deviation was 49 %
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2020 budget.		The Citizens' inputs and proposed FY2020 budget were published online on 16 th September 2019.

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	DLR 2.2: Citizens' budget based on approved FY19 State budget published online by end April 2019.		The Citizens' budget was published online on 29 th April 2019
DLI 3: Improved cash management and reduced revenue leakages through implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 60 percent of state government finances implementation of State TSA		The State did not have Cash Management Strategy. The State did not have a functional State Level TSA. The revenue TSA did not cover a minimum of 60% of the Government finances.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		The Revenue code covers all IGR sources and stipulates the BIR as sole agency for revenue collection and accounting.
	DLR 4.2: 2019-2018 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more	Stretch Target Achieved	The IGR Growth rate was 49%.
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 75 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		The State has not captured the Biometric for civil servants and pensioners.
	DLR 5.2: Link BVN data to at least 75 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		83.3% of current civil servants' and pensioners' BVN data was linked to the payroll.
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency; and 3) Cover all MDAs receiving funds from the state budget.		The Law is structured like the UNCITRAL Model Law but does not comply with the requirements.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the state website		The data published is in line with the open contracting Data standards (OCDS)
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		Previously achieved in 2018 APA.
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2019		Quarterly State Debt Report was submitted within an average of 5.9 weeks
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established and Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.		State has no Arrears Clearance Framework and has not established an Internal Domestic Arrears Database. There was also an increase in domestic arrears of 24.9%.
DLI 9: Improved debt sustainability	Total debt stock at end of December 2019 as a share of total revenue for FY2019 meets target: Basic target: < 140%, Stretch target: < 115%. and Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2019.		Average monthly debt service is 12% while debt stock to revenue ratio is 206%

The Office of the Auditor-General for the Federation as Independent Verification Agent and JK Consulting Co. Ltd agree on all the results shown in this report.

2. Introduction

2.1 Overview

The Federal Government of Nigeria is implementing a four-year program to support Nigerian States to strengthen fiscal performance and sustainability: The State Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results (“The Program”). In each of the four years, the Program will finance activities under two components: (i) a Program for Results (PforR) component in the amount of US\$700 million and (ii) a Technical Assistance (TA) component in the amount of US\$50 million. All States are able to participate in the Program in each of the four years and benefit from the PforR funds by meeting set Eligibility Criteria and any or all the indicators of fiscal transparency, accountability and sustainability.

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and JK Consulting Co. Ltd was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2019. To ensure a high-quality assessment, the IVA engaged the services of experts in Taxation, Procurement and Debt Management laws to review the legislation in place for each State.

2.2 Scope

This Annual Performance Assessment (APA) Report covers the State’s performance in 2019 against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines and verification protocol. Each State was earlier assessed against the Eligibility Criteria set in the protocol, to determine the state’s eligibility for grants under the 2019 APA. The results of the eligibility assessment were reported previously to each state, and are included in Appendix A.

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitised on the requirements of the program and on the protocol for 2019. The assessment results are binary (Achieved or Not Achieved), as that is how the Program for Results was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit and a template with which to report the results achieved. The assessments were conducted between (17/08/2020 and 21/08/2020) with a team of four (4) persons, starting with an opening meeting where all the information requested was handed over. The visit was concluded with an exit meeting where the initial findings were discussed, and each state was given further opportunity to provide clarifications and/additional information.

The draft conclusions from the work done were reported to the State and this final report takes account of the State’s comments on the draft results, as shown in Section 4.

The Office of the Auditor-General for the Federation and JK Consulting Co. Ltd are grateful to the States for the cooperation enjoyed during the assessment and hope the recommendations within this Report are found valuable towards achieving the DLRs in the remaining years of the Program.

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2019] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management		Not Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within six weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on (https://mof.ad.gov.ng/) as follows:</p> <ul style="list-style-type: none"> • Q1 – 06/01/2020 40.1 weeks (281 days) • Q2 – 06/01/2020 27.1 weeks (190 days) • Q3 – 06/01/2020 14.0 weeks (98 days) • Q4 – 25/05/2020 20.9 weeks (146 days) <p>Average week for the online publication is computed as below:</p> $\frac{40.1+27.1+14.0+20.9}{4}$ <p>Average =25.5 weeks (178.5days)</p> <p>We downloaded the quarterly budget implementation Report for Q1-Q3, except for Q4 as enshrined in the Financial statement for the summary from the State official website, https://mof.ad.gov.ng/ and have obtained time stamp of the publications.</p>	Unsatisfactory	The State should ensure all quarterly implementation reports are published within six weeks of the end of each quarter

2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year to date, and balances against each of the revenue and expenditure appropriations.	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s official website: https://mof.ad.gov.ng/, we observed following;</p> <ul style="list-style-type: none"> • The Budget Implementation Reports include the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classification of expenditures. See pages 83 to 346 of Financial Statement of 2019. • The Budget Implementation Reports include the actual expenditures for the quarter as well as the cumulative expenditures for year to date. Pgs 83-346 Financial Statement of 2019. • The State’s Budget Implementation Reports include the balances against each of the revenue and expenditure appropriations. Pgs 83-346 Financial Statement of 2019. • The State has supplementary Budget (a hard copy was provided). • The revised Budget implementation shows both the original and the approved supplementary budget. Pgs 14-234 in Revised Budget tagged “Virement for 2019”. <p>The reports include the approved budget appropriation for the year for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter and the balances against each of the revenue and expenditure appropriations.</p>	Satisfactory	
3	Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for year to date?	Upon review of the State’s Budget Performance reports, it states the actual expenditures for each quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date.	Satisfactory	
4	Does the report State balances against each of the revenue and expenditure appropriations with balances provided on	Upon review of the State’s Budget Performance reports, it states the balances against each of the revenue and expenditure appropriations with balances provided on a	Satisfactory	

	a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.																									
DLR 1.2	FY [2019] deviation from total budget expenditure is less than 25%		Not Achieved																								
1	<p>Has the State computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 25%</p>	<p>1.The State computed the budget deviation for 2019 to be 62%. The IVA computed the budget deviation for this APA year. See the computation below which includes Below the Line items:</p> <table border="1"> <thead> <tr> <th></th> <th>Original Budget</th> <th>Actual Outturn</th> </tr> </thead> <tbody> <tr> <td>Capital (34)</td> <td>139,217,811,600</td> <td>20,726,987,838.20</td> </tr> <tr> <td>Rec.Exp (33) (BTL Payment included)</td> <td>105,544,235,575.00</td> <td>104,580,461,375.31</td> </tr> <tr> <td></td> <td>244,729,047,175</td> <td>125,307,449,213.51</td> </tr> </tbody> </table> <p>$\frac{\text{N}244,729,047,175 - \text{N}125,307,449,213.51}{\text{N}244,729,047,175} \times 100 = 49\%$</p> <p>Also see te computation below which excludes the Below the Line items</p> <table border="1"> <thead> <tr> <th></th> <th>Original Budget</th> <th>Actual Outturn</th> </tr> </thead> <tbody> <tr> <td>Capital (34)</td> <td>139,217,811,600</td> <td>20,726,987,838.20</td> </tr> <tr> <td>Rec.Exp(33) (BTL Payment excluded)</td> <td>105,544,235,575.00</td> <td>73,071,357,636.44</td> </tr> <tr> <td></td> <td>244,729,047,175</td> <td>93,798,345,474.64</td> </tr> </tbody> </table> <p>$\frac{\text{N}244,729,047,175 - \text{N}93,798,345,474.64}{\text{N}244,729,047,175} \times 100$</p>		Original Budget	Actual Outturn	Capital (34)	139,217,811,600	20,726,987,838.20	Rec.Exp (33) (BTL Payment included)	105,544,235,575.00	104,580,461,375.31		244,729,047,175	125,307,449,213.51		Original Budget	Actual Outturn	Capital (34)	139,217,811,600	20,726,987,838.20	Rec.Exp(33) (BTL Payment excluded)	105,544,235,575.00	73,071,357,636.44		244,729,047,175	93,798,345,474.64	<p>Unsatisfactory</p> <p>The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.</p>
	Original Budget	Actual Outturn																									
Capital (34)	139,217,811,600	20,726,987,838.20																									
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		<p>= 62% (which agrees with the State’s calculation)</p> <p>The budget performance deviation is 49%</p> <p>In both instances the State did not achieve the specified deviation limit.</p> <p>Source: 2019 Audited Financial Statement Pg23 of FS and Approved Budget and Actual Expenditure or Appropriation Law Pg. 21 and 23 of the FS. The State is operating a cash basis accounting system.</p>		
DLI 2: Increased Openness and Citizens’ Engagement in the Budget Process				
DLR 2.1	Citizens’ inputs from formal public consultations are published online, along with the proposed FY [2020] budget		Achieved	
1	Did the State conduct at least one “town-hall” consultation before the proposed budget is drafted with participation of local government authorities and State-based CSOs?	<p>a) The attendees from the LGAs in attendance were: Ganye, Michika, Girei, Viniklang and Yola North</p> <p>b) The CSOs representatives in attendance: Network of Adamawa State Non-governmental Organization.</p> <p>c) The Minutes, attendance lists and pictures of the meetings were made available in both hard and soft copies and this informed our source of information.</p> <p>d) The dates and venue of the consultation on the budget proposal was: Michika LGA 12/09/2019, Yola North 10/09/2019, Girei LGA 11/09/2019</p> <p>e) Ten (10) attendees were randomly called and they confirmed participation in the town hall meetings.</p> <p>f) The budget was drafted on 11th December 2019.</p> <p>g) The consultation date was 10th to 12th September 2019, while the draft was sent to State House of Assembly on 11th December 2019, therefore the date of draft came first.</p>	Satisfactory	

2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2020 to enable citizens to find the inputs easily?	<p>a) The Key representative of the CSOs who cosigned the minutes of meeting was Network of Adamawa State Non-Governmental Organization.</p> <p>b) The title of the report was “Budget Preparation Process which held at three (3) senatorial zones on 10th – 13th September 2019”.</p> <p>c) The report mentioned the signatories as representing the organization below:</p> <ul style="list-style-type: none"> ○ Ministry of Budget and Planning Commission ○ Adamawa State Board of Internal Revenue ○ Ministry of Finance ○ Ministry of Women Affairs <p>d) The web link is thus: https://mof.ad.gov.ng/citizen-budget/ Published on 16th September 2019.</p> <p>e) See Appendix A for weblinks to the proposed/final budget</p>	Satisfactory	
DLR 2.2 New	Citizens’ budget based on approved FY19 State budget published online by end April 2019.		Achieved	
1 New	Has the State published online, on the State website(s) a Citizens Budget based on the approved FY19 state budget not later than 30 April 2019?	The Citizens budget based on approved FY19 state budget was published on 29th April 2019 which was before the due date and the web like is : (https://mof.ad.gov.ng/citizen-budget).	Satisfactory	
2 New	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY19 state budget?	<p>We confirmed that the Citizens budget summarizes in a comprehensible manner to citizens the approved FY19 state budget and it was prepared in the format shared with the States. It accurately includes the key budget information from the original budget, including the following;</p> <ul style="list-style-type: none"> i. The citizen's budget has simple explanation for the citizens to understand. ii. Breakdown of revenues and expenditures: <ul style="list-style-type: none"> Revenue a) Internally Generated Revenue b) Statutory Allocation c) Grants 	Satisfactory	

		<ul style="list-style-type: none"> d) Value Added Tax e) Other Statutory Revenue f) Other Capital Receipt g) Opening Balance <p>Expenditure</p> <ul style="list-style-type: none"> a) Total Capital Expenditure b) Personnel Cost c) Overhead Cost d) Consolidated Revenue Charges e) Other Recurrent Expenditure <ul style="list-style-type: none"> iii. There is a disclosure of budget deficit and it will be financed through foreign and domestic loans. iv. There are sectoral allocations to MDAs of the State in the budget as listed below: <ul style="list-style-type: none"> a) Social ₦ 59,236,130,422 b) Regional ₦ 70,480,000 c) Law & Justices ₦ 784,517,210 d) Administrative ₦ 9,381,058,856 e) Economic ₦ 69,745,625,112 v. Top Projects to be financed are: <ul style="list-style-type: none"> a) Adamawa State Education Investment Programme (ADSIPEP). b) Construction of 361.7km Rural Roads across the 3 Sen. Zone and 19 No. River Crossing. c) Purchase of Motor Vehicles d) Design and Construction of Mubi e) Multi-Sectoral Crisis Recovery Programme (MCRP) 		
DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	Improved cash management and reduced revenue leakages through implementation of State TSA		Not Achieved	
1	Has the State established a functional State-level TSA?	The State does not operate a functional state-level TSA, they have several accounts that were not linked.	Unsatisfactory	The State should establish a functional TSA

		<ul style="list-style-type: none"> • IGR Main Account: Fidelity Bank with account No.5030103898 • FAAC Account: Zenith Bank with account No. 011247792 • VAT Account: Zenith Bank with account number No. 1011247747 		
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>a) The State does not have a Cash Management Strategy put in place.</p> <p>b) There was no document sighted since the State does not have a Cash Management Strategy</p> <p>c) There is no process in place, except for all revenue payments that hits the lead bank Account from various Revenue collecting banks in real time.</p> <p>d) There was no evidence of implementation of processes since the State does not have cash management strategy</p>	Unsatisfactory	The State should implement an approved cash management strategy which covers the processes through which the State is able to forecast cash commitments, requirements and provide reliable information on the availability of funds.
3	<p>Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?</p>	<p>The State has a computer application where the State can view the cash balances in the bank accounts.</p> <p>The name of the App is Systems Spec.</p> <p>a) The State does not have a cash management strategy in place, hence there was no approval for the app.</p> <p>b) The State deployed several modules of this app: Revenue module was deployed in May 2019; Civil Service and Pension module was deployed in August 2019 while other operation was in September 2019.</p>	Unsatisfactory	The State should establish a cash management system that allows for a central view of cash balances in bank accounts on a single electronic dashboard.
4	<p>Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different</p>	<p>a) The name of the TSA account is "TSA Account" but not a functional TSA and is domiciled with Fidelity Bank with account number 5030103898.</p> <p>b) Only revenue goes through the account.</p>	Unsatisfactory	The State's TSA should have one consolidated revenue treasury account for state

	commercial banks but are brought into the consolidated revenue account as part of the TSA.	c) Monies collected don't sit in other revenue collecting banks.		revenues (FAAC and IGR)												
5	Does the TSA cover a minimum of 60% of the State Government's finances?	<p>The total cash inflow from the TSA Revenue account was made available to the IVA but there was no TSA account balance to show the total outflow, on that note it was not possible to make the necessary computation and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2019.</p> <p>See the computation below:</p> <table border="1" data-bbox="779 646 1472 867"> <thead> <tr> <th></th> <th>Total Inflows</th> <th>Total Outflows</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td></td> <td></td> </tr> <tr> <td>Government Finances*</td> <td></td> <td></td> </tr> <tr> <td>Percentage</td> <td></td> <td></td> </tr> </tbody> </table> <p>The State does not operate a functional TSA, therefore, the computation could not be completed.</p> <p>*Sources: 2019 Audited Financial Statement (Cashflow Statement) Pg.31 and the TSA Statement from (Fidelity Bank) for 2019. For Revenue only</p>		Total Inflows	Total Outflows	TSA Bank Statement			Government Finances*			Percentage			Unsatisfactory	The State's should work towards have a functional TSA which should cover a minimum of 70% of Government Finances for the 2020 APA.
	Total Inflows	Total Outflows														
TSA Bank Statement																
Government Finances*																
Percentage																
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection																
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting.		Achieved													

	Code must be approved by the state legislature and published			
1	Does the State have up-to-date consolidated revenue code which includes all the State's IGR sources and all the local governments (falling under that State) IGR sources?	<ul style="list-style-type: none"> a) The Report stated the name of the Revenue Law as Adamawa State Revenue Administration Law No. 12 of 2020 gazetted on 30th July, 2020 b) The Revenue code & rates is not separate from the Revenue Law. c) Adamawa State has one singular Revenue Law. d) The revenue code was approved on the 20th July 2020. e) The web link is this: https://www.adamawabir.org/downloads.php f) The Consolidated Revenue Law includes all IGR Sources of the State and Local Government. Soft and Hard copy of the Revenue Administration Law obtained. g) The rates are stated against each Revenue Source in the Revenue Administration Law 2020. 	Satisfactory	This result is for the 2020 APA which is to be conducted in 2021. It has been assessed early as requested by the Programme.
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) or the State Internal Revenue Service (SIRS) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?	Adamawa State Consolidated Revenue Law 2020 appoints the State Board of Internal Revenue (SBIR) as the sole Agency responsible for Collection of State Revenue. Refer to section 94 of Adamawa State Revenue Administration, Law No 12 of 2020.	Satisfactory	
3	Is the collection of revenues is made into accounts(s) nominated by the SBIR OR SBIR has full oversight of the accounts and is responsible for reporting and accounting for the revenues	<ul style="list-style-type: none"> a) Collections of all State Revenue are made into Adamawa State Board of Internal Revenue Collection Account domiciled in Fidelity Bank Account No: 5030103898. This Account was nominated by the States' SBIR as the Lead collection Account. (Copy of letter for approval by Accountant General from SBIR and acceptance letter from the Bank obtained). b) The Adamawa SBIR is responsible for the Reporting and Accounting for state Revenues. Soft copy of Detailed IGR Report 2019 (IGR Outturn Report) and the Audited Financial Statement were obtained. 	Satisfactory	

4	<p>Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?</p> <p>It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.</p>	<p>a) The Revenue code was approved by the State legislature on 20th July 2020</p>	Satisfactory																					
5	<p>Is the Publication published online, so it is automatically available to the public/all taxpayers?</p>	<p>a) A copy of the Consolidated Revenue Administration Law No12, 2020 has been downloaded.</p> <p>b) We accessed and downloaded the document on the 8th August 2020</p> <p>c) The web link is: https://www.adamawabir.org/downloads.php</p>	Satisfactory																					
DLR 4.2	Annual nominal IGR growth rate meets target		Achieved Basic target met																					
1	<p>Has the 2019-2018 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: 20%-39% Stretch Target: 40% or more</p>	<p>a. The State used Cash basis of accounting for 2018 and 2019.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>NGN</th> <th>NGN</th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2018</th> <th>2019</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Reported IGR in AFS (Before Adjustments)</td> <td>6,613,764,898</td> <td>9,704,450,176</td> <td>47%</td> </tr> <tr> <td>2. INVALID items to be deducted IF reported as part of IGR</td> <td>93,617,786</td> <td>-</td> <td></td> </tr> <tr> <td>Reimbursements/refunds related to expenditures</td> <td>15,709,261</td> <td></td> <td></td> </tr> </tbody> </table>		NGN	NGN	% GROWTH	Item	2018	2019		1. Reported IGR in AFS (Before Adjustments)	6,613,764,898	9,704,450,176	47%	2. INVALID items to be deducted IF reported as part of IGR	93,617,786	-		Reimbursements/refunds related to expenditures	15,709,261			Satisfactory	
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Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	6,520,147,112	9,704,450,176	49%																					
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud																								
DLR 5.1	Biometric capture of at least [75] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		Not Achieved																					
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 75% of the current civil servants and pensioners on the State payroll?	<p>The State has not performed a Biometric data capture exercise for civil servants and pensioners.</p> <p>a) The State has not performed a biometric data capture exercise for civil servants and pensioners,</p> <p>b) The total no of civil servants is 28,760.</p> <p>c) The total no of pensioners is 9,846.</p>	<p>Unsatisfactory</p> <p>The State should ensure they cover 75% of current civil servants and pensioners</p>																					

		<p>d) The total number of Staff on the State payroll is 38,606. The State does not maintain a nominal roll for civil servants.</p> <p>e) The State has not performed a Biometric data capture exercise for civil servants and pensioners.</p> <p>f) The documents obtained are as follows: i) Payroll Report Summary for civil servants (ii) Payroll Report Summary for pensioners (iii) Variations Report</p> <p>g) It was a one-page document for each of the document obtained.</p> <p>h) There was no biometric data captured, on that note it was not possible to carry out the computation.</p>		The state should ensure the biometric exercise is done and linked with payroll
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	The State has not performed a biometric data capture exercise for civil servants and pensioners.	Unsatisfactory	The State should ensure biometric is done, database is put in place and should be linked with payroll
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	The State has not performed a Biometric data capture exercise for civil servants and pensioners.	Unsatisfactory	The State should complete the process of capturing all civil servants in the State and linking their biometric data to the payroll in order to identify ghost workers
5.2	Link BVN data to at least [75] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		Achieved	
1	Has the State linked the Bank Verification Number data to 75% of its current Civil	The State commenced and completed BVN data capture of the civil servant and pensioners from November 2019 - December 2019.	Satisfactory	

	<p>Servants and pensioners on the State payroll?</p>	<p>a) It was outsourced to a consultant, Systems Spec. The evidence of contracting the process to Systems Spec as the Consultant was made available to the IVA Team.</p> <p>b) The total no of civil servants is 28,760</p> <p>c) The total no of pensioners is 9,846</p> <p>d) The State does not maintain a Nominal Roll for Civil Servants</p> <p>e) BVN data linked to the payroll: (i) Civil servants with BVN are 24,659 (ii) Pensioners with BVN are 7,512</p> <p>f) The documents obtained are as follows: (i) BVN Payroll Report Summary for civil servants (ii) BVN Payroll Report Summary for pensioners (iii) Variations Report</p> $\frac{32,171}{28,760 + 9,846} \times 100 = 83.3\%$ <p>The State has linked 83.3% of the State' civil servants and pensioners BVN data to the payroll.</p>		
2	<p>Has the State taken steps to identify payroll fraud?</p>	<p>a) The report mentioned the following: (i) Civil servants without BVN as 4,101 (ii) Pensioners without BVN as 2,334</p> <p>b) The following documents was kept for identifying payroll fraud: (i) BVN Payroll Report Summary for civil servants (ii) BVN Payroll Report Summary for pensioners (iii) Variations Report</p> <p>c) The report mentioned November 2019 - December 2019 as the date payroll frauds were identified.</p> <p>d) The report also mentioned the following as payroll figure prior to the fraud identification (i) Civil servants: ₦2,009,779,131.1 (ii) Pensioners: ₦394,863,291.16</p> <p>e) The report stated the payroll figure after the fraud has been removed for further payments as</p>	Satisfactory	

		(i) Civil servants: ₦1,720,258,527.38 (ii) Pensioners: ₦332,537,952.50 f) The report stated the sources of the information as follows: i) BVN Payroll Report Summary for civil servants (ii) BVN Payroll Report Summary for pensioners (iii) Variations Report		
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget		Not Achieved	
1	Does the State have a public procurement legal framework which must be approved by the State legislature to have a legal basis, either as a law or a resolution?	a) The State has a public procurement legal framework. Adamawa State Public Procurement Law, 2013; (Principal Law), Adamawa State Public Procurement Amendment Law NO 10 of 2020. b) The Adamawa State Public Procurement Law was passed 27th June 2013 and Law to amend relevant sections was passed 30th June 2020 c) There was no resolution of the State House of Assembly guiding Procurement Law. d) The authorizing body /office was Bureau of Public Procurement Law e) The date of online publication was 09/03/2019 f) The source of online publication was thus: www.bpp.adamawa.com	Satisfactory	
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency; and 3)	The Adamawa State Public Procurement Law is structured in line with the UNCITRAL Model Law. However, it does not fully meet the requirements as shown below:	Unsatisfactory	The State should ensure that section 54(8) of the amended law is reviewed to

	<p>cover all MDAs receiving funds from the State budget.</p>	<p>1. E-Procurement - We noted the following during our review of legislation;</p> <ul style="list-style-type: none"> • The Procurement Bureau is to approve changes in procurement Process to adapt to improvements in modern Technology. Section. (4e) • The Bureau is to establish a single internet portal that shall serve as a primary and definitive source of all information on government procurement. S. 7 (q) • The Bureau is to introduce, develop, update and maintain related data base and technology. S. 7 <p>2. Independence - The results of our assessment of the legislation for independence are in the table below:</p> <table border="1" data-bbox="837 721 1409 1442"> <thead> <tr> <th data-bbox="837 721 1102 769">Required Provisions*</th> <th data-bbox="1102 721 1409 769">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="837 769 1102 976">The Functions and Powers of the Agency</td> <td data-bbox="1102 769 1409 976">Compliant; see sections see sections 7 and 8. It is responsible for prescribing regulations and procedures for public procurements in accordance with the legal framework.</td> </tr> <tr> <td data-bbox="837 976 1102 1036">The composition of the board</td> <td data-bbox="1102 976 1409 1036">Compliant; See section 3 subsection (1)</td> </tr> <tr> <td data-bbox="837 1036 1102 1300">Membership of the Board/Council includes representatives from Professional bodies and associations.</td> <td data-bbox="1102 1036 1409 1300">Compliant; see section 3 of the Adamawa State Public Procurement Amendment Law NO 10 of 2020 which amends S 3(1) of the principal law to include representatives of professional bodies as members of the Council.</td> </tr> <tr> <td data-bbox="837 1300 1102 1442">The grounds for removal of the Chief Executive of the agency.</td> <td data-bbox="1102 1300 1409 1442">Compliant; see sections 3(4)(3)(a-e) and 9(4) and Section 10 of the Adamawa State Public Procurement Amendment Law NO 10 of</td> </tr> </tbody> </table>	Required Provisions*	Result	The Functions and Powers of the Agency	Compliant; see sections see sections 7 and 8 . It is responsible for prescribing regulations and procedures for public procurements in accordance with the legal framework.	The composition of the board	Compliant; See section 3 subsection (1)	Membership of the Board/Council includes representatives from Professional bodies and associations.	Compliant; see section 3 of the Adamawa State Public Procurement Amendment Law NO 10 of 2020 which amends S 3(1) of the principal law to include representatives of professional bodies as members of the Council.	The grounds for removal of the Chief Executive of the agency.	Compliant; see sections 3(4)(3)(a-e) and 9(4) and Section 10 of the Adamawa State Public Procurement Amendment Law NO 10 of		<p>conform with UNCITRAL model Law</p>
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				2020 which now lists grounds for removal of the Chief Executive.		
			Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Non-Compliant; see section 54(8). Review of Regulatory decisions go to Arbitration and Mediation even at the point when no procurement contract has been signed between the parties. Arbitration or mediation cannot in any circumstance be equated to judicial review. This clause is also impracticable and remains the same notwithstanding the recent amendment.		
			*Provided by the World Bank			
			3. Establishment of an independent procurement regulatory agency - a) This is as enshrined in section 5 sub sections 1 and 2 of Adamawa state Public procurement law. ADS. Law No. 10 of 2020 Adamawa State Public Procurement (Amendment) Law, 2020 Section 5 Sub-Section (2) and to cover all MDAs receiving fund from the State Budget.			
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency or any other type of entity set up for the statutory purpose?	a) The State has instituted an independent procurement regulatory Bureau as depicted in Section 3 sub-sections (1) of the ADS.Law.No.10 of 2020-Adamawa State public procurement (amendment) Law, 2020. b) The procurement regulatory Functions and powers of the agency as enshrined in Adamawa State Public Procurement Law No. 23, Vol. 13, 27th June 2013 Functions: Section 7(a - t) and Powers: Section 8 Sub- section (1) a - m, Sub-section (2) a - c	Satisfactory			

		<p>c) The Public procurement is been performed through a Bureau. The Bureau is for prescribing regulations and procedure in accordance with legal framework section 8(1) (a-m)</p> <p>d) A physical inspection of the agency was conducted; the Bureau is independent, functional and autonomous pictures taken).</p> <p>e) An interview was conducted with Director of procurement Director legal service, Director General and ICT/MS Officer in the Bureau, and staff their view was that the Bureau is efficient) 120 contracts as shown in the published list of contracts awarded for the year 2019. 5 cases were randomly selected to perform the walkthrough.</p> <p>i). Procurement of works for saving one million lives programme for result (som PforR) lot (2) mechanical installations for the cold store at essential drugs programme kofare - Michael Hammond Engineering Company Limited</p> <p>ii). Purchase of 50 Toyota HiaceBuses on Hire Purchase Agreement - Sa'atina Integrated Services Ltd</p> <p>iii). Procurement of 50,000 copies of admission registers (Lot 1) and 50,000 copies of students file (Lot 9) in respect of Govt. Printing Press - Govt. Printing Press</p> <p>iv). Procurement of works for saving one million lives programme for result (som PforR) lot (6) rehabilitation of water supply scheme at the college of nursing and midwifery - Umar Bahago Water Engineering Services LTD</p> <p>v).Procurement of 174,300 bags (50kg) of NPK fertilizer 20.10.10 and 52,500 bags (50KG) of Urea fertilizer to the 21 Local Government Area of the State. - Tak Integrated Agriculture solutions Ltd</p> <p>f) A walkthrough was done on 5 contracts; the team went through the contract files to confirm whether the Bureau's data are published in line with the Open Contracting Data Standards (OCDS) format.</p>		
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DLR 6.2	Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on [the State website/on the online portal]		Achieved	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2019) that are above the threshold (as defined in the State procurement law or in the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS).	<ul style="list-style-type: none"> a) The Team obtained hard and soft copies of the schedule of 120 contracts above the threshold as defined in the State procurement law. b) The data published is in line with the open contracting Data standards (OCDS). Based on a sample check we noted no contracts were listed for the following Ministries - Special Duties, Commerce and Industry, Livestock and Agricultural Development, Construction, Rehabilitation, Intervention and Humanitarian Services, Environment and Natural Resources Development. We were however made to understand that procurement undertaken by these listed ministries and other entities' during the period were below the approved threshold for online publication. c) Those contracts published on the website are procurements that are above the respective ministries and entities' that requires BBP approval for "Certificate of No Objection". d) The date of publication is on 22nd January 2020. We noted that this was the only publication of contracts awarded in 2019. It is however deemed acceptable (subject to further review) as contract awards are published after the fact and awards in say December 2019 would in any case be published in 2020. e) The source of publication is Adamawa State official website, http://ocds.bpp.ad.gov.ng/Home/table f) A physical inspection of the agency was conducted, the Bureau is independent, functional and autonomous (pictures taken). 	Satisfactory	
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				

DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		Previously Achieved	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?	Previously achieved, reference to 2018 APA.	Satisfactory	
2	Does the legislation include provisions which establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.	Reference to 2018 APA	Satisfactory	
3	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt.		Satisfactory	
DLR 7.2	Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarters in 2019		Achieved	

1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2019?	<p>a) We obtained evidence that the State produced quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> • Q1 submitted on (21/05/2019) =7.3 weeks or 51days, • Q2 submitted on (08/08/2019) = 5.6 weeks or 39 days, • Q3 submitted on (04/11/2019) =5 weeks or 35 days • Q4 submitted on (11/02/2020) =6 weeks or 42 days. $\frac{11.7 + 9.8 + 9.3 + 10.4}{4} = 5.9 \text{ weeks}$ <p>The SDDRs was submitted within an average of 5.9 weeks (41.8 days).</p>	Satisfactory	
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO: The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p>	<p>We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Adamawa State Debt Domestic Report and both showed a difference in amount of ₦ 37,039,190,164. The DMO's Report on the State Domestic and External Debt Report (SDEDR) showed ₦ 139,560,551,779 when compared with the Adamawa State Debt Domestic Report that showed ₦ 102,521,361,615. The report was supported with the DMO's templates and guidelines.</p> <p>We reviewed the DMO report and the DMO report confirmed the accuracy and completeness of the State Domestic Debt Report.</p> <p>A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data.</p>	n/a	
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in	The State did not submit to the IVA the annual State Arrears recording, verification and clearance report (SARVCR).	Not Achieved	

	<p>place and an arrears clearance framework established.</p> <p>AND</p> <p>Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.</p> <p>-Basic target: At least a 5% decline or maintain stock below N5 billion</p> <p>-Stretch target: More than 20% decline</p>			
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The State has not established an Arrears Clearance Framework (ACF)	Unsatisfactory	The State should establish an Arrears Clearance Framework (ACF)
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<p>a) The State has not established an Arrears Clearance Framework, hence no plan actions to settle arrears an explicit prioritization of expenditure to be settled was not done.</p> <p>b) The State has not established an Arrears Clearance Framework (ACF)</p>	Unsatisfactory	<p>The ACF should contain:</p> <p>1) Planned actions to settle arrears</p> <p>2) An explicit prioritization of expenditure arrears to be settled</p>
3	Has the ACF been published on a State official website?	a) The State has not established an Arrears Clearance Framework (ACF)	Unsatisfactory	The State should ensure the ACF is published on her Official website
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The State has not established an Arrears Clearance Framework (ACF)	Unsatisfactory	The State should ensure that the clearance of domestic expenditure

				arrears is consistent with the ACF
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State has not established an internal Domestic Arrears database</p> <p>b)The State has not established an Arrears Clearance Framework (ACF)</p> <p>a. There's no aggregate amount of pension and gratuity arrears.</p> <p>b. There's no aggregate amount of salary arrears and other staff claims.</p> <p>c. There's no aggregate amount of other types of domestic arrears.</p> <p>b) There's no verification process in place for the arrears in the database.</p>	Unsatisfactory	The state should ensure they establish an internal domestic arrears database. The Internal Domestic Arrears Database should include aggregate and individual amounts of contractors' arrears; aggregate amount of pension and gratuity arrears; aggregate amount of salary arrears and other staff claims.
6	Has the State published online elements of the internal domestic arrears database for the FY 2018 and FY 2019 reported on a State official website, which constitutes the online publicly accessible arrears database?	The State does not have internal Domestic Arrears Database. Therefore, there was no online publication on the web site.	Unsatisfactory	The State should ensure they publish online, elements of the Internal domestic arrears database.
7. New	Does the online publication include? 1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears;	The State does not have internal Domestic Arrears Database. Therefore, there was no online publication on the web site.	Unsatisfactory	The State should ensure they publish online lists of contractors with recognized arrears exceeding N20million.

	<p>3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding N20million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>					<p>The state should ensure contractors are able to verify that their claims are accurately reported.</p>																	
<p>New</p>	<p>Has the State met the following?</p> <p>(ii) Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state’s arrears clearance framework.</p> <p>-Basic target: At least a 5% year-on-year decline or maintain stock or arrears below N5billion. -Stretch target: More than 20% year-on-year decline.</p> <p>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of year, compared to the previous year, expressed in percentage terms.</p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>30,093,981,790.61</td> <td>23,960,284,988.92</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>17,030,342,113.76</td> <td>14,163,631,714.14</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>2,774,283,293.75</td> <td>1,800,603,910.24</td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Domestic Arrears</td> <td>49,898,607,198.12</td> <td>39,924,520,613.30</td> </tr> </tbody> </table>	Aggregate Amount of:	2019	2018	Contractors Arrears	30,093,981,790.61	23,960,284,988.92	Pension and Gratuity arrears	17,030,342,113.76	14,163,631,714.14	Salary arrears and Staff claims	2,774,283,293.75	1,800,603,910.24	Other types of domestic expenditure arrears	-	-	Total Domestic Arrears	49,898,607,198.12	39,924,520,613.30		<p>Unsatisfactory</p>	
Aggregate Amount of:	2019	2018																					
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Other types of domestic expenditure arrears	-	-																					
Total Domestic Arrears	49,898,607,198.12	39,924,520,613.30																					
<p>DLI 9: Improved Debt Sustainability</p>																							

a. The State does not have an Internal Domestic Arrears Database. Therefore, the figures computed was gotten from Q4 quarterly debt report for the year 2018.

$$\frac{\text{N}39,924,520,613.30 - \text{N}49,898,607,198.12}{\text{N}39,924,520,613.30} \times 100 = 24.9\%$$

There was a percentage increase of 24.9%

Source: State internal domestic expenditure arrears database.

DLR 9.0	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2019] AND Total debt stock at end Dec [2019] as a share of total revenue for FY [2019] meets target: -Basic target: < [140%] -Stretch target: < [115%]		Not Achieved																							
	Has the State met: (i) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1 st January to 31 st December 2019) to the gross FAAC allocation for the same calendar year? Less than :< [40%]	The IVA computed the percentage of total monthly service deductions/Gross FAAC Allocation for this year APA. Total Service Deduction $\frac{N\ 6,560,968,517}{N\ 55,132,858,979} \times 100$ Gross FAAC Allocation = 12 % Source: FMOF (FAAC)	Satisfactory																							
	Has the State met: (ii) the ratio of total debt stock at end-of-year (31 st December 2019) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1 st January to 31 st December 2019)? -Basic target:< [140%] -Stretch target: < [115%]	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison. Total Public Debt <table border="1" data-bbox="760 959 1451 1133"> <thead> <tr> <th></th> <th>Financial Statements</th> <th>DMO figures (Adj)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>102,412,601,107.74</td> <td>106,279,836,334</td> </tr> <tr> <td>Total External Debts</td> <td>108,760,507.99</td> <td>33,280,715,445</td> </tr> <tr> <td>Total Public Debts</td> <td>102,521,361,615.73</td> <td>139,560,551,779</td> </tr> </tbody> </table> Total annual revenue <table border="1" data-bbox="760 1219 1325 1398"> <tbody> <tr> <td>2019 Adjusted IGR (see DLI 4.2)</td> <td>9,704,450,176</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>55,132,858,979</td> </tr> <tr> <td>Grants</td> <td>2,258,828,030</td> </tr> <tr> <td>Other Revenues</td> <td>632,127,910</td> </tr> <tr> <td>Total Revenue**</td> <td>67,728,265,095</td> </tr> </tbody> </table>		Financial Statements	DMO figures (Adj)	Total Domestic Debts	102,412,601,107.74	106,279,836,334	Total External Debts	108,760,507.99	33,280,715,445	Total Public Debts	102,521,361,615.73	139,560,551,779	2019 Adjusted IGR (see DLI 4.2)	9,704,450,176	Gross FAAC Allocation	55,132,858,979	Grants	2,258,828,030	Other Revenues	632,127,910	Total Revenue**	67,728,265,095	Unsatisfactory	
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		<p>a) The State’s domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2019 is as at the end of Q4 2019. We have computed the total debts stock/ Revenue percentage for 2019 year, as follows:</p> $\frac{\text{₦}139,560,551,779^* \times 100}{\text{₦}67,728,265,095}$ $= \underline{206\%}$ <p>Sources: For Total Revenue 2019 Audited Financial Statement, Pg33. For Total Public Debt from DMO* as at December 31,2019</p> <p>*Table 3 below holds a breakdown of the Total Debt. **Table 3(ii) holds the breakdown of Revenue</p> <p>b. The debt stock stated in the Federal DMO State Domestic and External Debt Report is not the same with the debt stock stated in the audited financial statement.</p> <p>c. There is a difference between the debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) is ₦139,560,551,779 while the debt stock stated in the Financial Statements is ₦102,521,361,615.73</p> <p>d. The difference has been communicated to the State for explanation.</p> <p>e. The difference has been calculated in value as ₦37,039,190,163.27 (₦ 139,560,551,779 - ₦ 102,521,361,615.73) and in percentage terms as 36% (₦139,560,551,779 - ₦ 102,521,361,615.73/ ₦ 102,521,361,615.73*100)</p> <p>f. The SDEDR was amended and resubmitted to the IVA along with explanations.</p>		
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TABLE 3: DLI 9 31 DECEMBER 2019 STATE DEBT STOCK TABLE FOR ADAMAWA STATE

ADAWAMA STATE	AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,081,217,713
BAIL OUT (SALARIES) (SOURCE CBN)	8,656,563,946
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	11,041,347,747
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,095,741,210
STATE BONDS	-
COMMERCIAL BANK LOANS	6,021,224,203
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	445,645,379
INFRASTRUCTURE LOAN (CBN FACILITY)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	-
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	39,488,939
CONTRACTORS' ARREARS	30,093,981,791
PENSION AND GRATUITY ARREARS	17,030,342,114
SALARY ARREARS AND OTHER CLAIMS	2,774,283,294
OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	106,279,836,334
TOTAL EXTERNAL DEBT (TED)	33,280,715,445
TOTAL PUBLIC DEBT (TED+TDD)	139,560,551,779

TABLE 3(ii): DLI 9 31 DECEMBER 2019 - ADJUSTED REVENUE TABLE FOR ADAMAWA STATE

	NGN
Item	2019
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	55,132,858,979
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	46,053,973,543
1.1.1 Gross statutory allocation	41,233,265,304
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	1,812,931,546
1.2 VAT	12,132,858,979
2. Internally Generated Revenues (IGR) - Adjusted	9,704,450,176
3. Grants (internal and external)	2,258,828,030
4A. Other revenues (4.1 + 4.2 + 4.3)	632,127,910
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	7,140,819
4.3 Miscellaneous	624,987,091
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	67,728,265,095

4. Response from the State

The State should please use the table below for their response.

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	DLI 6.1 - AS per our submission to the appropriate body for amendment of the principal Law 2013 in respect of Section 54(8) of the principal Law. Bureau has already done all the needful in order to archived SFTAS DLI 6.1 but there was an oversight in the process. Kindly see attached transmitted draft from the Bureau to the authority concern for amendment. Meanwhile the Bureau have forwarded the matter to the authority concern for inclusion in the amended Law 2020 which will be done before the year ends.	Well noted, thanks. The amended legislation can be reviewed as part of the 2020 APA.
2	DLI 6.1 - Amendment of section 4 of the principal law: paragraph (e) of section 4 of the principal law is amended by deleting the phrase "Modern Technology" and substituting it with phrase "E-procurement" See paragraph (7) Gazette of the amended law 15 th July, 2020 on weblink https://bppadamawa.com/medias/others/2020/6/1595591892406_ADSPPL%20as%20amended%202020-min.pdf	We recognise that the State legislation meets the E-procurement criteria.
3	DLI 7.2- The State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2019.	This is now corrected and the changes effected and the DLI 7.2 is marked as achieved.

Appendix A

REPORT ON THE ACHIEVEMENT OF THE ELIGIBILITY CRITERIA FOR THE 2019 PERFORMANCE YEAR

YOUR STATE HAS BEEN ASSESSED AS HAVING MET THE ELIGIBILITY CRITERIA FOR THE 2019 PERFORMANCE YEAR.

This report sets out the assessed performance of the State against the set eligibility criteria for the States' Fiscal Transparency, Accountability and Sustainability Programme (SFTAS). It contains feedback and clarifications to enable the State prepare better for the next assessment. Note that the eligibility assessment will be conducted afresh on an annual basis and being deemed eligible in one year does not guarantee eligibility in subsequent years. Please visit the SFTAS guidelines for more detail on eligibility.

Any enquiries on the contents of this report should be routed through the State Focal persons to the following email address – sftas@oaugf.ng

Eligibility Criteria 2019 Part I - The online publication of Approved Budgets for 2020 by 31st January 2020

Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
https://www.adamawafrc.org/	A search was done on Adamawa State website	The 2020 Budgets were published on the State Official website, a copy was downloaded.	A request was made on 08/01/2020 to the focal persons to provide evidence of the approved 2020 budget and governor's assent.	EC met A weblink was received from the focal person on 20/01/2020 which provided evidence of governor's assent

Tests/checks performed	Results	Areas for improvement
Is the approved budget for 2020 available on any of the State Government Websites?	Yes	None
Was the approved budget published online before 31 January 2020?	Yes	None
Is the published budget clear and legible?	Yes	None
Can the budget be downloaded?	Yes	None
Do we have evidence of assent by the Governor?	Yes	None

Eligibility Criteria 2019 Part 2 - The online publication of Audited Financial Statements for FY2018 by 30th September 2019

Source(s)	Initial Work Done	Initial Comments / Observation	Follow up	Final Assessment
https://mof.ad.gov.ng/download/report-of-the-accountant-general-adamawa-state-for-the-year-ended-31st-december-2018/?wpdmdl=429-Statement.pdf	A search was done on the Adamawa State Ministry of Finance website and their Audited Financial Statements were downloaded.	The Audited Financial Statements were easily accessed and downloaded.	N/A	EC met

Tests/checks performed	Results	Areas for improvement
Were the Financial Statements (FS) for 2018 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)	Yes	None
Were the Financial Statement for 2018 available published online before 30th September 2019?	Yes	None
Are the published financial statements clear and legible?	Yes	None
Can the Financial Statements be downloaded?	Yes	None
Do we have evidence of audit by the State Auditor-General?	Yes	None
Are the financial statements complete, including primary statements and disclosure notes?	Yes	None
Are there any indications that balances within the financial statements are not credible	n/a	Please see the 2018 APA Report