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

2020 Annual Performance Assessment (APA) Report

GOMBE STATE

By:

The Office of the Auditor-General for the Federation as the SFTAS Independent Verification Agent with support from PricewaterhouseCoopers (PwC)

pwc

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1. Executive Summary

The report details the outcome of the Annual Performance Assessment (APA) conducted on Gombe State for the 2020 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 2020 APA for Gombe State and shows areas where the State was able to achieve results. In total, Gombe State achieved 13 **(**Thirteen**)** DLRs out of 15 DLRs applicable to the 2020 APA while two (2) DLRs were achieved in 2019 and 2018 respectively. One of the achieved DLRs was due for assessment during the 2021 APA but has been assessed early as requested by the Programme.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management	Achieved	
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%	Achieved	
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 FY2021 budget.	Achieved	
	DLR 2.2: Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms		There was no evidence of dissemination event published online.
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 70 percent of state government finances.	Achieved	
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	Achieved	This is a 2021 APA result assessed early. All requirements were met.
	DLR 4.2: 2020-2019 annual nominal IGR growth rate meets target: i.e. 2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection	Stretch Target Achieved	
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll	Achieved	
	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed	Achieved	
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	Previously achieved in 2019	
	DLR 6.2: (Basic Target) Framework contract for e-Procurement signed by 31 December 2020 AND Publication of contract award information above the threshold set out in the State's		There was no framework contract for e-procurement signed by 31 December 2020,

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	procurement law/regulation every month in OCDS format on the state website or online portal if available. DLR. 6.2 (Stretch Target) Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs **AND** *For those MDAs without e-procurement:* Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available		
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**	
	DLR 7.2: Quarterly state debt reports for Q2, Q3 and Q4 accepted by the DMO on average two months or less after the end of the quarter in 2020 **AND** Annual State debt sustainability analysis published by end of December 2020	**(green)**	
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place. Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with verification process in place **AND** at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock of arrears below 5 billion.	**Stretch Target Achieved**	
DLI 9: Improved debt sustainability	Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target: Basic target: < 150%, Stretch target: < 125%.	**Basic Target Achieved**	

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

1. DLR 2.2: Evidence of dissemination events to explain amendments to the State annual budget is published online along with the Citizens' budget based on the Amended State budget.
2. DLR 6.2: e-Procurement should be implemented as soon as possible. Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs.

The Office of the Auditor-General for the Federation (OAuGF) as Independent Verification Agent and PricewaterhouseCoopers (PwC) 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 the Nigerian States to strengthen fiscal performance and sustainability: The State Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results ("The Program").

The original Programme design had four Key Result Areas and nine disbursement-linked indicators with a financing agreement of US$750 million. Following the advent of COVID-19 in 2020, the Programme was adapted to establish a transparent, accountable, and sustainable fiscal framework to enhance States' fiscal capacity to respond to the Pandemic. The main change brought about in the restructuring was the addition of new COVID-19 responsive DLIs to the Programme and obtaining additional financing of US$750 million to ensure results were sustained across the remaining performance years. This brought the total financing for the SFTAS Programme to US$1.5 billion and increased the DLIs to 13 (thirteen) and the Disbursement Linked Results to 22 (twenty-two). The Program will finance activities under two components: (i) a Program for Results (PforR) component for US$1.45 billion and (ii) a Technical Assistance (TA) component for US$50 million.

All States can 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 PricewaterhouseCoopers (PwC) 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 2020.

To ensure a high-quality assessment, the IVA engaged the services of experts and had some input/support from Taxation and Debt Management Office (DMO) for Debt Management related DLIs to review the returns in place at this State.

2.2   Scope

This Annual Performance Assessment (APA) Report covers the State's performance in 2020 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 2020 APA.

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitized on the requirements of the program and the protocol for 2020. 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 (31/01/2022 and 04/02/2022) with a team of 6 persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or 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 (OAuGF) and PricewaterhouseCoopers (PwC) are grateful to the State for the cooperation enjoyed during the assessment and hope the recommendations within this Report are found valuable towards improving fiscal transparency, accountability, and sustainability in the management of the public finances and resources of the State.

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 [2020] quarterly budget implementation reports published with Q2, Q3, and Q4 reports published on average within [4 weeks] of quarter end to enable timely budget management**		**Achieved**	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	The Quarterly budget implementation reports were posted online on https://mof.gm.gov.ng/budget-office/download/ as follows: ● Q1 - 29/04/2020 - 29 days ● Q2 – 23/07/2020- 23 days ● Q3 – 31/10/2020 - 31 days ● Q4 – 29/01/2021 - 29 day Average days (weeks) for the online publication was computed based on the last 3 quarters, as below: $$\frac{23+31+29}{3}$$ Average=27.66 days (3.95) Weeks We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2020, obtained and retained evidence of the IT backend of the publications.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	From our review of the Quarterly Budget Implementation reports downloaded from the State's website (see weblinks above) we observed the following: a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures. b) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations. d) The State has an amended/revised budget. e) The Budget Implementation Reports showed only the revised budget but the approved original budget was not included. The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads and Capital). the actual expenditures for the quarter, and the balances against .28 of the revenue and expenditure appropriations.	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 the year to date?	Upon review of the State's Budget Performance reports, it stated 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 revenues and expenditures appropriations with	Upon review of the State's Budget Performance reports, it stated the balances against each of the revenue and expenditure appropriations with balances provided on a	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	balances provided on 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 three (3) expenditure classifications. No expenditure was categorized as "Other Expenditure" as debt servicing, and transfers were recognized as an overhead expenditure.		
DLR 1.2	**FY [2020] deviation from total amended budget expenditure is less than 15%**		**Achieved**	
1	Has the State computed the difference between the Amended approved total budgeted expenditure for the fiscal/calendar year and the actual total expenditure in the fiscal/calendar year, divided by the Amended approved total budgeted expenditure and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 15%	The State computed the budget deviation for 2020 to be 14% We computed the budget deviation for this APA year. See the computation below: |	Total Amended Budget	Actual
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Capital (pg 4 of Actual Expenditure or Appropriation Law pg 35 of AFS FY 2020)	56,956,609,493.48	40,960,773,793.83
Rec. Exp (pg4 of Actual Expenditure or Appropriation Law and pg 35 of AFS FY 2020)	50,652,699,100.00	51,590,923,315.51
Total	**107,609,308,593.00**	**92,551,697,109.34** | $$\frac{\text{₦}107,609,308,593.00 - \text{₦}92,551,697,109.34}{\text{₦}107,609,308,593.00} \times 100$$ $$= 14\%$$	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The budget performance deviation is 14% **Note: The figure of N29.033bn included in the Consolidated Financial Summary (pg 25 of the 2020 AFS) as the total capital expenditure appears to be incorrect.** **Source: 2020 Audited Financial Statement Pg35 and Approved Budget and Actual Expenditure or Appropriation Law Pg 4.**		
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 [2021] budget**		**Achieved**	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	The documents obtained and reviewed include the attendance register, minutes and pictures from the public consultation. a) The following LGAs were in attendance. Billiri LGA, Akko LGA, Nafada LGA and Katulgo LGA. b) The CSO's in attendance include: National Council of Women Societies (NCWS), Civil Society Action Coalition Association, Community development Association, and Hausa Fulani Association. c) The sources of information from which our conclusions were drawn are attendance list and pictures were obtained as evidence that a consultation was held.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	d) The consultation was held on 17th November 2020 at the conference Hall of the College of Nursing and midwifery Gombe e) 10 attendees were called and all confirmed present at the public consultation. f) The budget was drafted on 19th November 2020 g) The consultation was held on 17th November 2020 while the proposed budget was drafted on 19th November 2020, so the public consultation comes first. h) The publication of the proposed budget was done on November 19, 2020 which was before the deadline of 31 Jan 2021. i) The weblink for the publication of the proposed budget: https://mof.gm.gov.ng/budget-office/download/		
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 2021 to enable citizens to find the inputs easily?	a) The name of the CSO that co-signed the minutes is Alhassan Yahaya (Chairman, MNCH coalition). A copy of the minutes is retained on file. b) The title and date of the minutes are: "Report of one (1) day consultative meeting with stakeholders on Gombe State 2021 Budget" held on 17th November 2020. c) The signatories represented the following organisations: National Council of Women Societies (NCWS), Civil Society	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Action Coalition on education for all, Community development Association and Hausa Fulani Association. d) The weblinks for the publications are: https://mof.gm.gov.ng/download/gombe-state-meeting-with-civil-society/?wpdmdl=1490&refresh=628df1aa0a2801653469610 https://mof.gm.gov.ng/wp-content/uploads/2021/04/2021-Budget-Meeting-with-CSOs-Attendance-List.pdf		
DLR 2.2	**Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms**		**Not Achieved**	
1.	Did the state conduct dissemination events to explain amendments to the FY2020 State budget and was adequate evidence of the events published online and by the due date?	a) A review of pictures of the public consultation and the signed attendance list for the publication showed that the public consultation held. A copy of these have been retained as evidence. b) The Amended Budget and evidence of dissemination events have been downloaded and retained in a file. c) The dissemination was done physically.	Unsatisfactory	The State should ensure its weblinks are functional

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	d) Evidence of dissemination events was published online on 29th July 2020, it was published before the deadline of September 30, 2020. Copies were retained in a file e) IVA confirmed that the evidence of the dissemination event was published in the same location as the Amended FY20 budget. f) IVA confirms that the date of publication of the dissemination events is 29th July 2020. Screenshots of the IT backend were obtained and retained as evidence in the file g) The weblink for the dissemination events is: https://mof.gm.gov.ng/wp-content/uploads/2021/04/Gombe-State-Revised-2020-Consultation-Meeting-Report.pdf The State's weblink was not functional during reviews, however, the state provided updated weblinks that is functional as follows: https://mof.gm.gov.ng/citizen-engagement/ Upon review of the weblink, it was the Gombe State 2022 Citizen's engagement that was uploaded on file while the initial weblink in Par (g) above is not functional.		
2 Has the State published online, on the State website(s) a *Citizens Budget based on the Amended Budget (2020)* not later than 30 September 2020?	a) The Citizens budget based on the Amended Budget (2020) was published before the due date 30th September 2020 via	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

	https://mof.gm.gov.ng/wp-content/uploads/2021/04/Revised-2020-Citizen-Budget-1-1.pdf
	
	accessed on (02/02/2022).
	
	The State provided the following Weblinks for Revised Citizen's budget:
	
	https://mof.gm.gov.ng/download/updated-2020-citizen-budget/
	
	This was updated on June 02, 2022.
	
	The State provided the IT Backend, and this has been retained in file.
	
	b) IVA has compared the full Annual Budget with the Citizens Budget and there are no areas of discrepancies.
	
	c) The Citizen's budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template
	
	    i. Simple explanation of the annual amended budget/citizen's budget.
	
	    ii. The sources of revenues.
	
	    iii. Sources of domestic and foreign grants, domestic loans, and other financing sources.
	
	    iii. Total expenditure by economic classifications.		

Commented [P1]: As stated during the PCU review of the draft APA Report –
This is incorrect.

The citizen's budget published through the link above is a one-page document. It does not show the revised recurrent expenditure budget, the financing deficit and sources of financing for the deficit.

It also does not show the largest 5 capital projects etc.

Please revisit the findings and conclusions.

Commented [KN2R1]: The State published both on a pamphlet (one page document) in English and Hausa as well as a detailed revised citizen's budget. All requirements were included in the revised citizen's budget. However, the one page document weblinks have been deleted for ease of reference.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		iv. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap.		
		v. Disclosure of Budget deficit and how it will be financed.		
		vi. Sectoral Allocation (by MDAs).		
		vii. Top Projects to be financed (at least 5)		
		d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) was included.		
		e) A different format was not used.		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	a) The citizen budget showed variance between the original FY20 Budget and the amended budget. b) The Citizens Budget included Data on reallocations and adjusted spending priorities. We confirmed that the amended FY20 state budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.	Satisfactory	
4	Does the State website have functional feedback and response online mechanisms?	a) The State has established functional feedback and response online mechanisms on its website. b) The type of feedback mechanism established on the State website is an online feedback submission form. c) The State's feedback mechanism provides at a minimum:	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	i. Acknowledgement of receipt of comments/feedbacks from citizens ii. State's responses to comments/feedbacks iii. Display of timeframe and the State's government contact details. d) The test conducted to ascertain the functionality of the feedback mechanism was a mail sent on the portal and acknowledgment/ feedback received. e) A demonstration was done by the State Ministry of Budget and Planning and further evidence was provided to demonstrate how the State has responded to feedback submitted online. Screenshot of the emails sent, and feedback received were obtained. f) The State's feedback mechanism is functional. g) The weblink to Gombe State's online feedback and response mechanism: https://mof.gm.gov.ng/Citizens-engagements/forum/citizen-engagement-portal/		
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 the implementation of State TSA**		**Achieved**	
1	Has the State established a functional State-level TSA?	a. The State has established a functional state-level TSA. b. The State operates multiple accounts but one account for TSA. ● IGR Main Account: Gombe State IGR Lead Account; United Bank for Africa (UBA) 1023152372.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		• FAAC Account: Gombe State Government FAAC; United Bank for Africa (UBA); 1022218217. This is the TSA • VAT Account: Gombe State Government VAT Account; GTBank; 0111207560		
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.	Gombe State has a Cash Management Strategy a) The cash management strategy is titled "Gombe State Cash Management Strategy". b) The Gombe State Cash Management Strategy was produced on December 10, 2019. It was signed by Gombe State Executive Governor, Alhaji Muhammadu Inuwa Yahaya. c) The Gombe cash management strategy includes the processes through which the ministries of Finance and Budget and planning can forecast cash commitments and requirements and provide reliable information on funds availability. Paragraphs 3.2, 6.4, 6.5, 6.6, 6.7 and 6.8 confirms this. d) Paragraph 6.8 bullet point 4 of Gombe State Cash Management Strategy states that "The consolidation of government cash resources shall take place within 48 hours of collections". However, the TSA Bank Statement showed that sweeping takes place monthly. The State also confirmed that it sweeps from other revenue accounts into the TSA monthly. e) There is evidence that Gombe State has applied its cash forecasting monthly as described in its cash management strategy. The evidence provided is the 2020 Forecast of Inflows and Outflows into the TSA.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	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)?	The State has a computer application for viewing bank account cash balances. a) The State uses the Bank Account Monitoring System (BAMS) deployed by Nigeria Inter-Bank Settlement System (NIBSS) Plc. b) The use of BAMS in the State is in line with the State's Cash Management Strategy. c) BAMS was deployed in Gombe State on April 3, 2020	Satisfactory	
4	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 commercial banks but are brought into the consolidated revenue account as part of the TSA.	a) We visited three MDAs. The MDAs are Education, Health and Works. We engaged with the Director of Finance & Accounts in each MDA to ascertain payment of levies, etc to the TSA. We administered questionnaires and also obtained evidence to ascertain payment to the TSA. b) The TSA is Gombe State Government FAAC; United Bank for Africa (UBA); 1022218217 c) All government monies go through the TSA account. d) Government monies do not sit in other revenue collecting Banks as sweeping is done by the State monthly. e) The TSA Bank Statement was obtained.	Satisfactory	
5	Does the TSA cover a minimum of 70% of the State Government's finances?	The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2020. See the computation below:	Satisfactory	

	Total Inflows	Total Outflows
TSA Bank Statement	52,154,043,978.94	52,096,071,220.29
Government Finances*	66,798,601,147.41	78,010,036,513.63
Percentage	78	67

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	The average percentage computation is: $$\frac{78\% + 67\%}{2}$$ = **72.5%** The TSA covered 72.5% of the State's finances. Having observed the reversal entries in the TSA Bank Statements, the IVA recalculated the inflows and outflows using the spotted items total which were subtracted to establish the adjusted figures as stated below: Total Inflow: ₦52,154,043,978.94 Total Outflow: ₦52,096,071,220.29 Total Reversal Entry: ₦2,013,848,251.26 Adjusted Inflow: ₦50,140,195,727.68 Adjusted Outflow: ₦50,082,222,969.03		

<table>
<thead>
<tr><th></th><th>Total Inflows</th><th>Total Outflows</th></tr>
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<tbody>
<tr><td>TSA Bank Statement</td><td>50,140,195,727.68</td><td>50,082,222,969.03</td></tr>
<tr><td>Government Finances*</td><td>66,798,601,147.41</td><td>78,010,036,513.63</td></tr>
<tr><td>Percentage</td><td>**75**</td><td>**64**</td></tr>
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The average percentage computation is:

$$\frac{75\% + 64\%}{2}$$

= **69.9%**

While this is mathematically, lower than the 70% minimum threshold, the difference is ultra-small. Hence, the WB – PCU considers it "Satisfactory" as the state met everything else.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	Thus, the TSA covered 70% of the State's finances.		
	*Sources: 2020 Audited Financial Statement (Cashflow Statement) Pg.35 and the TSA Statement from (United Bank for Africa) for (January 1, 2020 - December 31, 2020).		
	Note: IVA initial computation resulted in 59%, however, the state provided an addendum that ISPOs and others were treated as cash flow items in the cash flow statement but they do not flow through TSA or any other account since ISPOs were deducted at source. They also raised other issues bothering on the capturing of the inflows and outflows in the financial statement. The letter from the state accountant general's office and the evidence were obtained and also documented for reference.		

Adjusted Government Finances

	Inflows	Outflows
Cash Flows figures as per Cash Flow Statement	85,247,585,394.23	92,551,697,233.01
Deductions based on state addendum	18,448,984,246.82	14,541,660,719.38
Adjusted cash flow figures	66,798,601,147.41	78,010,036,513.63

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	State implementing a consolidated state revenue code covering all		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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		(This is a 2021 result that has been assessed early)	
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	a) The State revenue law is called GOMBE STATE REVENUE (CODIFICATION & CONSOLIDATION) LAW, OFFICIAL GAZETTE. b) The State's revenue code contains one Law. c) The revenue code was approved and/or Gazette on 31st December 2021. d) The weblinks where the Revenue law, Code, and rates were posted: https://mof.gm.gov.ng/gombe-irs/girs-policies-and-reports/ http://irs.gm.gov.ng/sites/default/files/2021-12/_Gombe%20State%20Revenue%20Codification%20and%20Consolidation%20Gazzette%202021%20Law.pdf e) The code included all State IGR sources and the LGs IGR sources (falling under the State). f) The consolidated revenue code included the rate chargeable for each IGR source.	Satisfactory	
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?	a) The IVA's review of the revenue code indicated the SBIR/SIRS is the sole agency responsible for State revenue collection and accounting. The following sections buttresses this: Section 4 provides that the service shall control and administer the various taxes, non-tax revenues and laws specified in the first schedule. Section 24 (2) provides that the service shall be the sole authority and have exclusive powers to control,	Satisfactory (This is a 2021 result that has been assessed early)	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		administer, impose and collect the different taxes and levies within the state. *b)* The conclusions reached by the IVA aligned with the results of the expert review.		
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	a) Gombe State Internal revenue service collection of revenues was made into accounts nominated by them. – Evidence obtained is the letter of nomination of the account (UBA account:1023152372 and a letter to the bank to open the account. b) Section 10(b) charges the SBIR to assess all persons chargeable with any tax payable within the State; collect, recover and pay to the designated account any tax, levy, or other revenue howsoever established due to the State under this Law or any other enactment.	Satisfactory	
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? 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.	a) The revenue code was approved by the State Legislature on 30th December 2021. b) It was assented to by the Governor on 31st December 2021.	Satisfactory	
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	a) A copy of GOMBE STATE REVENUE (CODIFICATION & CONSOLIDATION) LAW, OFFICIAL GAZETTE was downloaded and retained in a file. b) The Revenue Law was downloaded on the 1st February 2022 c) The weblink of the publication: https://mof.gm.gov.ng/gombe-irs/girs-policies-and-reports/	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		http://irs.gm.gov.ng/sites/default/files/2021-12/_Gombe%20State%20Revenue%20Codification%20and%20Consolidation%20Gazzette%202021%20Law.pdf		
DLR 4.2	**2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection**		**Achieved** (Stretch Target Met)	
1	Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: N/A Stretch Target: equal to or higher than the 2019 nominal IGR collection	a. The State adopted the cash basis of accounting used for revenue reporting in 2019 and 2020 from the Audited Financial Statements b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:	Satisfactory	

REPORTING TEMPLATE: OPTION B	NGN		% GROWTH
Item	2019	2020	
1. Reported IGR in AFS (Before Adjustments)	6,832,026,080	8,637,425,194.37	26%
2. INVALID items to be deducted IF reported as part of IGR	733,547,452	449,707,358	
Paris club refund			
Repayments	222,637,258.20	84,904,971	
Sale of govt property, privatization proceeds			
Savings			

Disbursement Linked Indicators (DLIs) and Tests	Findings				Conclusion	Recommendations
	Investment Income (e.g. dividends)					
	Interest Earned	28,795,053.06	240,647,728.30			
	Miscellaneous	482,115,140.83	124,154,657.88			
	3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)					
	Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	6,098,478,627	8,187,717,837	34%		

*Please Unpack the Miscellaneous from the notes to the Account

The State provided an addendum duly signed by the Auditor-General stating that included in the miscellaneous revenue amount of N2,675,968,787.50 shown on Pg 55 of FY 2020 AFS was Back Duty Tax Revenue of N2,551,814,129.62 which was wrongly classified as Miscellaneous revenue instead of Tax Revenue. Thus, IVA adjusted for this reclassification in both the 2019 and 2020 IGR figures to reflect the correct figures for Tax and Miscellaneous Revenues.

$$\frac{₦8,187,717,837 - ₦6,098,478,627}{₦6,098,478,627} \times 100$$

$$= 34\%$$

The annual nominal growth is 34%.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Source: 2020 Audited Financial Statement Pg. 39		
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud				
DLR 5.1	**Biometric capture of at least [90] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll**		**Achieved**	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of the current civil servants and pensioners on the State payroll?	The State commenced and completed the biometric data capturing of civil servants and pensioners from 5th August 2019 to December 2020. a) The Biometrics data capture exercise was outsourced to Human Capital Managers Nig LTD. b) The total number of civil servants = 19939 c) The total number of pensioners =6123 d) The total number of staff on the State Nominal roll and Payroll are Staff nominal roll = 20294 Staff payroll = 19939 e) The total biometric data captured is = 24,201 f) The documents obtained are a page report and a view from the state biometric database. $$\frac{24{,}201}{26{,}062} \times 100$$ **=92.8%** The State had captured 92.8% of the State's civil servants and pensioners on its payroll.	Satisfactory	
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	a) The State commenced and completed the Biometric data capture of the civil servant and pensioners 5th August 2019 to date.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	b) The number of civil servants and pensioners whose biometrics has been linked to the payroll is 24,201 and the percentage is 92.85% a) There are no ghost workers and ghost pensioners detected during the biometric validation. However, a list was obtained from the state comprising of disengaged workers and pensioners with various dates and the reason for disengagement which includes death, suspension, retired, dismissal, resignation, voluntary withdrawal and termination. c) The amount of money saved from the ghost workers detected was N86,668,292.36 d) In-year changes to the civil servant and pensioner payrolls (as a result of starters, leavers, deaths, etc.) were captured by the biometric exercise. e) The procedures were put in place during the year under review. Variations were submitted from various MDAs, on those that retired, died, or withdrew from service approved by the civil service commission, the variation will pass through sub-account and internal audit department for cross-checking, then variation order will be sent to the payroll department for implementation. The process takes only one month to implement. The document obtained is a One-page report. f) There were changes to the civil servant and pensioner payrolls during the fiscal year (as a result of starters, leavers, deaths, etc.). g) These changes were captured by the biometric exercise. h) The procedures are set out in the One paged report.		
3 Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a. There were no ghost workers and ghost pensioners detected during the biometric linkage to payroll, however, a list was given by the State comprising Disengaged workers and pensioners with the reason of	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Death, Suspension, Retired, Dismissal, Resign, voluntary withdrawal, and Terminated: Staff =845. Pensioners = 800 b) There are no ghost workers and ghost pensioners detected, However, a list was obtained from the state comprising of disengaged workers and pensioners with various dates and the reason for disengagement which includes: death, suspension, retired, dismissal, resigned, voluntary withdrawal and terminated. c) A sample from the walk-through test shows that a variation was given on 23rd March 2020 to remove staff with Staff PSN: 34220 and the staff were removed from payroll on 31st March 2020. d) The payroll figures before their removal from payroll are 20,784 civil servants and 6923 pensioners. e) The payroll figures after they have been removed are 19,939 civil servants and 6123 pensioners. f) The source(s) of this information is the biometric register and one-paged report.		
5.2	**Link BVN data to at least [90] 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 90% of its current Civil Servants and pensioners on the State payroll?	The State commenced and completed the BVN data capture of the civil servant and pensioners on 5th August 2019 to date a) The Biometrics data capture exercise was outsourced to Human Capital Managers Nig LTD. b) The total number of civil servants is 19,939. c) The total number of pensioners is 6,123. d) The total number of staff on the State Nominal roll is 26,062. e) The number and percentage of civil servants and pensioners whose BVN have been linked to the payroll are: civil Servants = 18686 Pensioners = 5600	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		f) The documents obtained are the BVN register and page report. Computation of Percentage of State Civil Servants and Pensioners BVN linkage to payroll $$\frac{24,286 \times 100}{26,062} = 93.2\%$$ The State has linked 93.2 % of the State's civil servants and pensioners' BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	a) The Staff with BVN data total 19,939 b) The records kept identifying payroll fraud was the list of disengaged workers and the BVN report. c) These payroll frauds were identified often during the year 2020. d) The payroll figure before the fraud identification is ₦14,588,115,870.18 e) The payroll figure after the fraud has been dealt with and remove from further payments is ₦14, 501,447,577.82 f) The source of information is the Gombe State One Page Report on BVN and Biometrics	Satisfactory	
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**		**Previously Achieved in 2019 APA**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	MDAs receiving funds from the State budget			
DLR 6.2	**Basic Target: Framework contract for e-Procurement signed by 31 December 2020 AND Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.** **Stretch Target: Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs** **AND** **For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.**		**Not 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 (2020) that are above the	a) We obtained a schedule of all contracts awarded during the year under assessment above the threshold (as defined in the state procurement law). b) The data published is in line with the Open Contracting Data Standards (OCDS).	Unsatisfactory	The State should publish contract award information above a threshold set out in the State's procurement

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
threshold (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?	c) The schedule of all contracts awarded during the year under assessment was published in the year 2021. d) The publication was sourced from the State's open contracting portal. Work done/tests carried out and findings reached are as follows e) We confirmed that the minimum required contract award information was published as follows: (i) Project name, (ii) awarding institution, (iii) award date, (iv) name of contractor, and (v) contract amount. f) All Items from (e) above were published as stated g) The weblink of the publication is: http://gombe.stateopencontracting.com/ContractsReport.aspx **Note:** From the OCDS portal, the number of contracts published (50) is low and unlikely to represent all contracts above threshold awarded in the year. Several key MDAs also had no awards in the year, which is not realistic. The contract award information is published on one of the State's official websites and is accessible to the public.		law/regulation on a monthly basis in OCDS format on the State website.
2 New	Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020?	a) As of 31st December 2020, the State had not signed up to the SaaS e-Procurement Framework Contract. This was signed in July 2021. b) A copy of the SaaS e-Procurement Framework Contract which was to be signed up to in 2020 was not obtained. However, that of 2021 was obtained. c) As of the time of the IVA's visit in February 2022, the State had signed up to the SaaS e-Procurement	Unsatisfactory	The SaaS e-Procurement framework was signed in July 2021 which will be assessed in APA 2021 and not in APA 2020.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Framework Contract. However, this was done in 2021, after the deadline for this DLR.		
3 New	Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the 2020 results DLI is the implementation of e-Publishing/Notification module for contract notice and contract award?	a) As at year-end 2020, the State had not implemented e-procurement in at least 3 MDAs (Education, Health, and Public Works). b) As at year-end 2020, the State had not implemented e-procurement in at least 3 MDAs (Education, Health, and Public Works). Hence, a walkthrough could not be conducted. c) No walkthrough was conducted by the IVA as the State did not implement e-procurement in all MDAs in the year under assessment. d) As at 2020, the State had not implemented the E-Publishing/Notification module for contract notice and contract award. e) The module was not effective during the year 2020 but was established and implemented in 2021.	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs and at least 3 MDAs in the first instance (including Education, Health, and Public Works).
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 for Q2, Q3, and Q4 2020 accepted by the DMO on average two months or less after the end of the quarter in 2020 AND**		**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Annual state debt sustainability analysis published by end of December 2020			
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 2020?	a) The state has submitted quarterly State Domestic Debt Reports (SDDR) (final versions) to the DMO on an average of 2 months after the end of each quarter. IVA obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows: · Q2 submitted on 14/ 08/2020 (45 days) · Q3 submitted on 11/11/2020 (42 days) · Q4 submitted on 04/02/2021 (35 days) $$\frac{45+42+35}{3}$$ Average Weeks = 40.67 days (5.8 Weeks) The SDDRs were submitted within an average of 1.5 months (Average number is 40.67days).	Satisfactory	
2	**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	(a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained. b) IVA reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Gombe State Debt Domestic Report along with all underlying data and both showed different amounts of ₦84,968,849,358.76 for the	n/a	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
DMO to cross-check the state's domestic debt figures.	SDDR and ₦86,480,434,469 for the SDEDR. The report was supported with the DMO's templates and guidelines. In response to the issue report given to the State to explain the reason for the difference, the State noted that "The reason for the discrepancy between the debt stock reported by Gombe State DMO and the Debt Stock received by the IVA Team the Federal DMO emanates as a result of wrong figures received from Federal DMO, it was verified by IVA team that N84,968,849,358.76 is the amount published on the Federal DMO websites: https://www.dmo.gov.ng/debt-profile/subnational-debts/3493-states-and-fct-domestic-debt-stock-as-at-december-31-2020" We reviewed the DMO report and the DMO report confirmed the accuracy and completeness of the State Domestic Debt Report. 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. c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State have been compared with the State Audited Financial Statement. d) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement FY 2020. e) There were discrepancies noted during the comparison. i. SDDR Figure: ₦84,968,849,358.76		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	ii. AFS Figure: ₦142,376,463,927.98		
	iii. Difference: ₦57,407,614,569.22		
	f) IVA communicated to the State to provide clarification as regards the identified discrepancies. In response to the APA issue, the State stated that 'The difference emanates from the lumping of interest element (and the Principal Element together in the AFS. In Accounting procedures, interest is not part of the liability, it should be treated separately as an expense in the accounts. Please note that the actual debt stock is the amount quoted in the SDDR."		
	g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.		
	h) The debt stock figures reported in the SDEDR, have been compared with those of the SDDR submissions by the state.		
	i) There were inconsistencies identified as stated below:		
	i. SDEDR (DMO) Figure: ₦86,480,434,469		
	ii. SDDR (State) Figure: ₦84,968,849,358.76		
	iii. Difference: ₦1,511,585,110.24		
	j) IVA requested the State to provide clarification as regards the identified discrepancies.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		In response to the issue report given to the State to explain the reason for the difference, the State noted that "The reason for the discrepancy between the debt stock reported by Gombe State DMA and the Debt Stock received by the IVA Team the FDMO emanates as a result of wrong figures receives from FDMO, it was verified by IVA team that N84,968,849,358.76 is the amount published on the FDMO websites: https://www.dmo.gov.ng/debt-profile/subnational-debts/3493-states-and-fct-domestic-debt-stock-as-at-december-31-2020"		
3 New	Has the State published online, the State Debt Sustainability Analysis Reports (SDSAR) by 31 December 2020?	a) The State Debt Sustainability Analysis Report (SDSAR) was published on the State's official website. b) The date of publication was 30 December 2020 c) The SDSAR was published by 31 December 2020. The evidence obtained to confirm the date of online publication is a screenshot of the backend. Weblink - https://mof.gm.gov.ng/wp-content/uploads/2021/04/gombe-state-dsa-report-2020.pdf	Satisfactory	
4 New	Does the SDSAR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options, and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	Upon review of the State Debt Sustainability Analysis Report (SDSAR), it included the following: (1) Adequate presentation of medium-term budget forecasts, including: (a) Presentation of MTB forecasts (b) Description of assumptions underpinning the MTB forecasts	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		(c) Description of assumptions underpinning the MTB forecasts		
		(2) A detailed and adequate description of the debt portfolio and borrowing options, including:		
		a. Presentation of debt and borrowing projections in the baseline scenario.		
		b. Description of assumptions underpinning the borrowing options		
		(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year.		
		b) A review and comparison between the information (figures) contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State Website were done.		
		There were no differences identified		
DLI 8: Improved Clearance/Reduction of Stock of				
Domestic Expenditure Arrears				
DLR 8.0	**Basic Target: Domestic arrears as of end 2019 and end 2020 are reported in an online publicly-accessible database, with a verification process in place.**		**Achieved** Stretch Target Met	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with a verification process in place AND at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock below 5 billion.			
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The State has established an Arrears Clearance Framework (ACF). b) IVA obtained a copy of the ACF from the State c) The establishment of the ACF occurred by 30 December 2020. d) The establishment of the ACF is 30th December 2020. However, 31st December 2020 year-end was not adequate to allow time for the implementation of the ACF but the State had to rely on 2019 ACF to clear their arrears.	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled. b) The evidence to show that ACF contains the two stated requirements are on pages 7-10 of the ACF for the Planned actions to settle the arrears and pages 10-12 for the explicit prioritization of the expenditure arrears to be settled. Other documents submitted by the State to confirm the existence of the ACF include; screenshots of IT backend for ACF Publication, and a hard copy of the ACF.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Has the ACF been published on a State official website?	a) We confirmed that the ACF has been published on the State official website b) We have downloaded a copy for validation c) The weblink and the evidence obtained to confirm the date of publication are: https://mof.gm.gov.ng/wp-content/uploads/2021/03/GOMBE-STATE-ACF-2020.pdf and a screenshot of the IT backends respectively.	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The clearance of domestic expenditure arrears is consistent with the ACF. The State had an ACF in 2019. Weblink: Gombe State ACF 2019 - Ministry of Finance, Gombe state - https://mof.gm.gov.ng/download/gombe-state-acf-2019/ The IVA conducted a walkthrough on the internal domestic arrears database to test the extent to which the State aligned with the provisions of its ACF. From the assessment, the IVA found that contractor, pension and gratuity arrears were being paid based on the ACF. Specifically, the IVA found that pension and gratuity were paid from the oldest to the newest (based on the age of the arrears), in line with the State's ACF. Also, for contractors' arrears, status of work (construction), size of the arrears (largest value to the smallest value), as well as age (oldest - date missed payment was due) were criteria used to select arrears to be cleared.	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	a) The State has established an Internal Domestic Arrears Database b) The Internal Domestic Arrears Database includes the following:	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	a. The aggregate and individual amounts of contractors' arrears. The database shows the total domestic arrears stock at the end of each year. b. The aggregate amount of pension and gratuity arrears. c) A verification process is in place for the arrears in the database. d) IVA confirmed through the evidence provided by the State that the State has conducted verification of arrears balances. e) We conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, payroll records, underlying contract data, etc. f) The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)		
6	Has the State published online elements of the internal domestic arrears database for the FY **2019** and FY **2020** reported on a State official website, which constitutes the online publicly accessible arrears database?	a) The State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2019 and 2020. b) We compared the aggregate and individual information available on the online publicly accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly accessible arrears database. c) The website supporting the online publicly accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online and attaching supportive evidence of her claim. If the State Ministry of Finance confirms the validity of this claim, it shall be added to the internal domestic	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	arrears database and included as relevant in the online publicly accessible arrears database. NOTE: On the publicly accessible database, permission is not granted to the public to view the contractor's full details due to security reasons. d) We confirmed that the online web pages included a facility for contractors with arrears (creditors) to report any omissions to the State. e) The IVA Conducted a test to confirm the functionality of the database. To make this confirmation, IVA sent an email to the database and obtained a response. A screenshot of this email correspondence was obtained as evidence. f) No omissions was reported by contractors g) No omissions of contractor arrears were found to be valid and subsequently included in the internal domestic arrears database. h) The source of information i.e. the web link to the online publicly accessible arrears database is https://mof.gm.gov.ng/dmo/		
7. Does the online publication include? 1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims;	The online publication includes the aggregate amount for two out of the four types of arrears. This is because the State does not have Salary arrears and Judgement Debt/ other types of domestic expenditure arrears. The online publication contains the names of contractors owed ₦20m in arrears and above.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings				Conclusion	Recommendations
	4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.					

		Findings			Conclusion	Recommendations
8.	Has the State met the following: (i) Percentage decline in the verified stock of domestic arrears at end 2020 compared to end 2019 meets target and is consistent with the state's arrears clearance framework. **-Stretch target:** At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion. *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 the year, compared to the previous year, expressed in percentage terms.*					Satisfactory stretch Target	

Aggregate Amount of:	2020	2019	% diff.
Contractors Arrears	15,732,025,860.43	19,731,522,550.53	-20.27
Pension and Gratuity arrears	10,663,313,047.34	8,702,835,722.83	14.18
Salary arrears and Staff claims	-		
Judgment Debt	-		
Other types of domestic expenditure arrears	-		
Total Domestic Arrears	26,395,338,907.77	28,434,358,273.36	10

a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and confirmed it was the same as the balances stated within the SDDR and the AFS for 2020.

$$\frac{₦26,395,338,907.77 – ₦28,434,358,273.36}{₦28,434,358,273.36} \times 100$$

$$= 7.17\%$$

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The percentage decline is 7.17% **Source**: State internal domestic expenditure arrears database		
DLI 9: Improved Debt Sustainability				
DLR 9.0	**Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target:** **-Basic target: < [150%]** **-Stretch target: < [125%]**		**Achieved** (Basic target met)	
1	Has the State met: (i) the ratio of total debt stock at end-of-year (31st December 2020) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2020)? **-Basic target:< [150%]** **-Stretch target: < [125%]**	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison. **Total Public Debt**	Satisfactory Basic target met	

Total Public Debt

	Financial Statements	DMO/SDEDR Figures
Total Domestic Debts	142,376,463,927.98	86,480,434,468.68
Total External Debts	13,889,048,529.80	13,925,598,661
Total Public Debts	**156,265,512,457.78**	**100,406,033,130**

Total annual revenue

2020 Adjusted IGR (see DLI 4.2)	8,187,717,837
Gross FAAC Allocation	48,637,265,845
Grants	13,829,101,835
Other Revenues	2,916,616,516
Total Revenue	**73,570,702,033**

a. The State's domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2020 is as at the end of Q4 2020.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	We have computed the total debts stock / Revenue percentage for the 2020 year, as follows: ₦100,406,033,130 x 100 ₦73,570,702,033 =136.48% **Sources:** i. For Total Revenue 2020 Audited Financial Statement, Page 28 of 36 ii. For Total Public Debt from DMO* as at December 31, 2020 iii. NBS/OAGF (FAAC) *Table 3(i) below holds a breakdown of the Total Debt. b. The debt stock stated in the Federal DMO State Domestic, and External Debt Report is not the same as the debt stock stated in the audited financial statement. c. There is a difference of ₦55,859,479,327.78 between the Debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) and the debt stock stated in the audited financial statement. The SDEDR is ₦100,406,033,130 while debt stock stated in the Audited Financial statement is ₦156,265,512,457.78 d. The difference has been communicated to the State for an explanation e. The difference has been calculated in value ₦,55,859,479,327.78 (₦156,265,512,457.78-100,406,033,130) and in percentage terms, as 56%. (₦55,859,479,327.78 * 100) ₦100,406,033,130		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The State responded thus: "you may wish to note that the reported debt stock by DMO Quarterly report of ₦98,857,897,891.20 (Domestic N84,968,849,358.76 & External ₦13,889,048,532.44) is the actual debt stock of the State not the amount reported on the Annual Financial Statement (₦156,265,512,457.78)." Given the above, the reason for the discrepancy of ₦57,407,614,566.58 emanates as a result of the wrong classification of an interest as a liability instead of an expense in the Annual Financial Statement which makes it a wrong accounting entry. Therefore, the correct amount of debt stock is ₦98,857,897,891.20 as reported on the DMO Quarterly Report The SDEDR was amended and resubmitted to the IVA along with explanations.		

3.2 TABLE 3(i): DLI 9 31 DECEMBER 2020 STATE DEBT STOCK TABLES FOR GOMBE STATE

GOMBE STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,407,336,301
BAIL OUT (SALARIES) (SOURCE CBN)	9,911,912,921
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	0
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,073,986,673
STATE BONDS	7,643,233,071
COMMERCIAL BANK LOANS	8,062,218,245
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	0
INFRASTRUCTURE LOANS (CBN FACILITIES)	1,986,408,351
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN	2,000,000,000
JUDGEMENT DEBTS	0
GOVT - GOVT DEBTS	0
CONTRACTORS' ARREARS	15,732,025,860
PENSION AND GRATUITY ARREARS	10,663,313,047
SALARY ARREARS AND OTHER CLAIMS	0
OTHER DEBTS	0
TOTAL DOMESTIC DEBT (TDD)	**86,480,434,468.68**
TOTAL EXTERNAL DEBT (TED)	13,925,598,661
TOTAL PUBLIC DEBT (TED+TDD)	**100,406,033,130.00**

3.3 TABLE 3(ii): DLI 9 31 DECEMBER 2020 - ADJUSTED REVENUE TABLES FOR GOMBE STATE

TEMPLATE: OPTION A	NGN
Item	2020
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	48,637,265,845
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	34,828,562,910
1.1.1 Gross statutory allocation	30,895,190,064
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	3,933,372,846
1.2 VAT	13,808,702,935
2. Internally Generated Revenues (IGR) – Adjusted	8,187,717,837
3. Grants (internal and external)	13,829,101,836
4A. Other revenues (4.1 + 4.2 + 4.3)	2,916,616,516
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	240,647,728
4.3 Miscellaneous	2,675,968,788
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	73,570,702,033

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	Please find the attached document showing the server backend Weblinks for Revised Citizen's budget: 1. https://mof.gm.gov.ng/download/revised-2020-citizen-budget-1/ 2. https://mof.gm.gov.ng/download/revised-2020-citizen-budget-2/ 3. https://mof.gm.gov.ng/download/updated-2020-citizen-budget/ 4. https://mof.gm.gov.ng/download/hausa-revised-2020-citizen-budget-1/ Weblink for Feedback Mechanism: 1. https://mof.gm.gov.ng/citizen-engagement/ - is the state's citizens' engagement weblink 2. The website has a functional chat function that is actively manned 3. The E-mail: budget-office@mof.gm.gov.ng is also actively attended to	The Weblinks to the Citizens have been included in the report, however, the updated timestamp showed June 02, 2022 while the date it was created was September 30, 2020. s The weblink provided showed the dissemination events of the 2022 budget and not 2020 budget amendment. The weblink that was initially obtained as evidence of the upload is still not functional.
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