



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

2018 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 JK Consulting Co. Ltd



March 2020

Table of Contents

- 1. Executive Summary.....3**
- 2. Introduction5**
 - 2.1 Overview 5
 - 2.2 Scope..... 5
- 3. Assessment Results.....6**
 - 3.1 Findings 6
- 4. Response from the State.....21**
- Appendix A - Report on the achievement of the Eligibility Criteria for 201822**

1. Executive Summary

This Report details the outcome of the Annual Performance Assessment (APA) conducted on Gombe State for the 2018 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 2018 APA for Gombe State and show areas where the State was able to achieve results. In total, Gombe State achieved **seven (7)** DLRs out of 14 DLRs.

We further identified several areas where the State should be able to improve its performance for the next APA, and these are set out in detail in Section 3 of this Report. In summary, the State should ensure the following:

1. DLR 2.1: Minutes of the public consultations on the annual budget are jointly prepared and signed with the CSO representatives.
2. DLR 3: A formally approved cash management strategy is put in place.
3. DLR 4.1: The State Revenue Law is published online on the State’s website along with the sources and rates for State and LGA revenues.
4. DLR 5.2: The linkage of BVN data to Payroll for civil servants and pensioners should be completed urgently.
5. DLR 6.1: That the Public Procurement Bill is passed into law, and with any revisions required to bring the bill into compliance with UNCITRAL Model Law.
6. DLR 6.2: Contract award information, above the set threshold, should be published online on a monthly basis, and in the OCDS format.
7. DLR 8: An Arrears Clearance Framework should be established along with an internal domestic arrears database, following the detailed guidelines provided for the achievement of this DLR.

Table 1: Assessment Results

Key:	Achieved		Not Achieved	
-------------	----------	--	--------------	--

Disbursement Linked Indicators	Disbursement Linked Results (2018)	Result	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY18 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		The Reports were published online within the required timeline.
	DLR 1.2: FY18 deviation for total budget expenditure is < 30%		The deviation was 24%.
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 FY19 budget		The minutes of the public consultations were not signed by CSO representatives.
DLI 3: Improved cash management and reduced revenue leakages through	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 50 percent of state government finances		The State has no approved cash management strategy in place.

Disbursement Linked Indicators	Disbursement Linked Results (2018)	Result	Remarks
implementation of State TSA			
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: 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 approved by the state legislature and published		The law and the rates were not published online by the State.
	DLR 4.2: 2018-2017 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more	Basic Target Achieved	IGR growth rate was 36%.
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 60 percent of current civil servants completed and linked to payroll, and identified ghost workers taken off the payroll		70% of current civil servants were captured and linked to payroll.
	DLR 5.2: Link BVN data to at least 60 percent of current civil servants on the payroll and payroll fraud addressed		The State had not linked BVN data of Civil Servants to the payroll system.
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. State legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement board; and 3) Cover all MDAs receiving funds from the state budget.		The State had no public Procurement Law as at December 2018.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2018 on a monthly basis in OCDS format on the state website		Contract award information was not published online
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: Approval of state-level legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		The State Fiscal Responsibility Law 2012 meets the requirements.
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018		The SDDR for Q4 was submitted to DMO within the required timeline.
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.		The State has no Arrears Clearance Framework.
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2018, and Total debt stock at end of December 2018 as a share of total revenue for FY2018 meets target: Basic target: < 150%, Stretch target: < 125%.	Stretch Target Achieved	Average monthly debt service deduction was 16.1% and Total debt stock as a share of Total Revenue was 108%.

The Office of the Auditor-General for the Federation as Independent Verification Agent and JK Consulting 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 States' 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 the Eligibility Criteria and any or all of the Disbursement Linked Indicators (DLIs).

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and JK Consulting Limited 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 2018. 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 at each State.

2.2 Scope and APA Process

This Annual Performance Assessment (APA) Report covers the State's performance in 2018 against the indicators 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 2018 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 of 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 2018. The assessment results are binary (pass or fail), as that is how the Program for Results component 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 24/11/2019 and 30/11/2019 with a team of five 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/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 State for the cooperation enjoyed during the assessment and hope the recommendations within this Report are found valuable towards meeting 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 [2018] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management		Achieved	
1	Has the state published its quarterly budget implementation report to the state official website within six weeks of the end of each quarter?	<p>This DLR was assessed based on the last two quarters of 2018 as per the verification protocol.</p> <p>The Budget implementation report was published online. A cumulative nine months report for January to September was published online on 24th October 2018 and a Full year report from January to December 2018 was published on the 27th January 2019.</p> <p>This was marked as satisfactory on the basis that it is possible to deduce the Q4 figures by subtracting the Q3 submission from the year end submission, and as Q3 was the first report being considered. The requirement for information disclosure and transparency was met, although not as tidily as expected.</p>	Satisfactory	The State should ensure quarterly balances are included within each report along with the cumulative figures.
2	Does the reports 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)?	The team reviewed the Budget Implementation Report 2018 published by the State and observed that it contained the approved budget appropriation for each MDAs and for each of the core economic classifications of expenditure (Personnel, Overheads, Capital, and Other expenditures).	Satisfactory	
3	Does the report state the actual expenditures for the quarter attributed to each MDA and each expenditure	The Report stated the actual expenditures for the quarters attributed to each MDA for the four core expenditure codes (Personnel, Overheads, Capital, and Other expenditures) in a cumulative form.	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	classification as well as the cumulative expenditures for year to date?			
4	Does the report state balances against each of the revenue and expenditure appropriations with 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?	From the website https://mof.gm.gov.ng under Budget performance menu, the report stated balances for each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications. Screen shots were retained for further verification.	Satisfactory	
DLR 1.2	FY [2018] deviation from total budget expenditure is less than 30%		Achieved	
1	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? Is the expenditure outturn deviation computed less than 30%	In the annual performance report, the state computed the difference between the original approved total budgeted expenditure for the fiscal calendar year divided by the original approved total budgeted expenditure, expressed in percentage terms. The team tested the computations and found them okay. A copy of the report was retained. $\frac{\text{N}114,190,915,267.00 - \text{N}87,062,323,728.56}{\text{N}114,190,915,267.00} = 24\%$ Source: 2018 Audited Financial Statements.	Satisfactory	
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 [2019] budget		Not 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?	From our review, we observed that one Town-hall consultation was held with CSOs, evidenced by the Minutes of Meeting with State-based CSOs and Video clip posted on the state website www.mof.gm.gov.ng (Not downloadable but can only be viewed online). A video clip, a hard Copy of	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
		Minute of Meeting and screenshots of timestamps of publication were obtained.		
2	Was the minute of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and signposted on the home page of the website to enable citizens to find the inputs easily?	<p>The minutes of meeting was not signed or dated; it only indicated the name of the Secretary. The attendance list which was claimed in the minutes to have been attached to the minutes was not attached.</p> <p>It was therefore difficult to ascertain whether the Town-hall meeting was done before the Drafted/ Proposed Budget 2019, which was done on Friday the 22nd December 2018, because the minutes was neither signed nor dated.</p> <p>In response to our raising of the issue through an Issue report, the State presented the minutes of meeting signed by the Secretary alone and attached a copy of the attendance list. Again, the minutes were not signed and dated by representatives of the CSOs, however, the team was able to obtain independent written confirmations of attendance from a few of the attendees (CSOs).</p> <p>The minutes of the meeting was hosted on the State website www.mof.gm.gov.ng.</p>	Unsatisfactory	The State should ensure that when Town Hall meetings are conducted, there should be participation by all stakeholders including CSOs and Local government authorities and evidenced by minutes duly signed by all key stakeholders.
DLI 3: Improved Cash Management and Reduced Revenue Leakages through Implementation of State TSA				
DLR 3	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 has a functional TSA account which is Access bank, Account number 0056754317 .	Satisfactory	
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 is able to forecast cash commitments and	No cash management strategy was put in place by the State Ministry of Finance to enable the State track cash commitments and requirements. However, the Ministry claimed to be making effort in this regard and it is a work in progress.	Unsatisfactory	The State should ensure that a formally approved Cash Management Strategy is put in place.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	requirements and provide reliable information on the availability of funds.			
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 Electronic Dashboard at the State Board of Internal Revenue which displays a central view of cash balances in the State's bank accounts. Screenshots of cash balances as at 31 st December 2018 were taken and retained.	Satisfactory	
4	Does the TSA have one consolidated revenue treasury account for state 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	The state has one consolidated revenue account for all state revenue, many banks were used by the state in revenue collection. Revenues collected are swept into the main TSA which is Access bank on daily basis.	Satisfactory	
5	Does the TSA cover a minimum of 50% of the State Government's finances?	<p>Our computation showed that the average State Government finances covered in the TSA is 82%.</p> <p>Cash Outflow ₦</p> <p>Total Outflow as per TSA 87,062,323,728.56</p> <p>Total Outflow as per FS <u>101,035,187,290.15</u></p> <p>Variance <u>13,972,863,561.59</u></p> <p>Percentage covered by TSA is 86%</p> <p>Cash Inflow ₦</p> <p>Total Inflow as per TSA 85,589,184,762.70</p> <p>Total Inflow as per FS <u>108,087,373,819.94</u></p> <p>Variance <u>22,498,189,057.24</u></p> <p>Percentage covered by TSA is 79%</p> <p>Average Difference = 82.50%</p>	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
		Source: 2018 Audited Financial Statement as against the total inflows and outflows from the TSA account.		
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	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 approved by the state legislature and published		Not Achieved	
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? IGR sources include presumptive tax, indirect taxes and levies (roads, hotels), fines, fees and charges. Personal income tax, including PAYE, which is collected by the State and covered by the federal tax code.	<p>We found that the State has an up-to-date Consolidated revenue code "The Gombe State Internal Revenue Service Revenue Administration law 2018" which includes all the States IGR and LGs IGR sources. This was found on pages 50 and 51 of the hard copy of Official Gazette obtained. The law was signed by the Governor on Feb. 5, 2018.</p> <p>However, the State does not have the revenue rates and tariffs for both state and local government revenues and MDA revenue sources. It has some ambiguity in other provisions and is not published on any website we could confirm from including www.gombe.igr.gov.ng. The law does not cover charges which are non-tax and we did not see any published list of the associated rates for either the MDAs or LGAs.</p>	Unsatisfactory	The State should provide (and publish online) the revenue rates and tariffs for both State and Local Government revenues sources.
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) as the sole agency responsible for state revenue (tax and non-tax) collection and accounting in the state?	Official Gazette S7 (1-8) , pages 4 and 5 , published on Feb. 5, 2018 specifically stated that Gombe State Internal Revenue Service (GIRS) shall be solely responsible for collection and accounting for state revenue.	Satisfactory	
3	Is Collection of revenues made into accounts nominated by the SBIR for the SBIR to be deemed responsible for collection?	Yes. Soft copy of bank statement of Gombe State Internally Generated Revenue Account 0056754317 with Access Bank was obtained.	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
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.	Consolidated revenue code was seen on pages 50 and 51 of the hard copy of Official Gazette received. The law was signed by the Governor on Feb. 5, 2018.	Satisfactory	
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	The website www.gombe igr.gov.ng given to the IVA team to access revenue code was not functional as at the time of the team's visit. Post-visit review of the above website on January 27, 2020 showed that although the website is now functional, but the Revenue law and rates were not published online.	Unsatisfactory	The State should publish its Revenue Law, Combined code, sources and rates (for State and LGAs) on its official website.
DLR 4.2	Annual nominal IGR growth rate meets target		Achieved Basic target met	
1	Has the 2018-2017 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20%-39% Stretch Target: 40% or more	From the 2018 Audited Financial Statement, Page 29, the total IGR for 2017 was ₦5,492,281,549.78 while that of 2018 was ₦7,490,367,833.50 . From the IVA computation, the revenue growth rate was 36%. This meets the basic target. = $\frac{N7,490,367,833.50 - N5,492,281,549.78}{N5,492,281,549.78} \times 100\%$ =36%.	Satisfactory	
DLI 5: Biometric Registration and Bank Verification Number (BVN) used to Reduce Payroll Fraud				
DLR 5.1	Biometric capture of at least [60] 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	The State has a functional biometric payroll system in place for capturing its civil servants. The total number of civil servants on the payroll was 20,880 and the total number	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	biometric exercise for 60% of the current civil servants on the state payroll?	captured on biometrics was 14,633 . The percentage captured was 70% . The above figure was gotten from the Payroll and Biometrics report. Physical verification of the process was witnessed by the team when a few staff were being captured on biometrics in the IT room. This meets the required percentage of 60% .		
2	Has the State linked the biometrics data to the state payroll to identify ghost workers?	Yes, the state has linked the biometric data to the state payroll and ghost workers have been identified and expunged. Information gotten from the Director Payroll is that the State is in the process of completing the biometric capture exercise and hope to conclude before the next APA.	Satisfactory	
3	Has the State removed confirmed ghost workers within three (3) months of each case being confirmed?	Soft and hard copy reports of disengaged staff as well as the report of the committee on biometric verification were obtained by IVA team. The biometric verification committee provided a report stating list of some staff members whose names were to be removed from the payroll as at 2016 . The team further reviewed and confirmed that the affected staff names were removed from the payroll as at 2018 by carrying out a random sampling of over 150 workers from the list. No ghost workers were identified for removal in 2018	Satisfactory	
DLR 5.2	Link BVN data to at least [60] percent of current civil servants [and pensioners] on the payroll and payroll fraud addressed		Not Achieved	
1	Has the State linked the Bank Verification Number data to 60% of its current Civil Servants on the state payroll?	The State has not been able to achieve this; however, the state claimed it is work in progress. The State seemed not to have done any significant work in this regard as no record was provided to the team to show the percentage of work done.	Unsatisfactory	The State should ensure that the process of linking BVN details of staff with the payroll is completed.
2	Has the State taken steps to identify payroll fraud?	The State was able to provide a comprehensive report which shows numbers of staff disengaged from work, titled "Disengaged staff report". However, application of BVN is still in progress,	Unsatisfactory	
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		Not Achieved	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations				
	regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) eProcurement; 2) establishment of an independent procurement board and 3) cover all MDAs receiving funds from the state budget							
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? It cannot be an executive order with no legal basis. The approval of the public procurement legal framework shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	<p>The State Public Procurement Bill was still in draft as at December 2018. The draft bill has been sent to the Ministry of Justice for review and onward transmission to the State Assembly.</p> <p>The IVA however reviewed the draft bill and the results are stated in these findings:</p>	Unsatisfactory					
2	Does the law conform with the UNCITRAL Model Law which should provide for: 1) eProcurement; 2) establishment of an independent procurement board; and 3) cover all MDAs receiving funds from the state budget.	<p>The draft bill (law) is structured according to the UNCITRAL Model Law.</p> <p>1. On e-procurement: The bill provides for the Council to approve changes in the procurement process to adapt to improvements in modern technology - S.2 (e). It also provides that the Bureau shall introduce, develop, update and maintain related database and technology; and establish a single internet portal that shall serve as a primary and definitive source of all information on government procurement; and contain and display all public sector procurement information at all times - S. 5(q) (r)</p> <p>2. On the establishment of an independent board, the results of our assessment are on the table below:</p> <table border="1" data-bbox="779 1349 1444 1446"> <thead> <tr> <th data-bbox="779 1349 1098 1386">Required provisions*</th> <th data-bbox="1098 1349 1444 1386">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="779 1386 1098 1446">The Functions and Powers of the Agency</td> <td data-bbox="1098 1386 1444 1446">Complies; see sections 5 and 6 of the Law</td> </tr> </tbody> </table>	Required provisions*	Result	The Functions and Powers of the Agency	Complies; see sections 5 and 6 of the Law	Unsatisfactory	<p>The State should enact an appropriate Procurement Law immediately.</p> <p>Furthermore, the Bureau and the Board/Council should issue guidelines specifically for e-procurement as soon as possible.</p>
Required provisions*	Result							
The Functions and Powers of the Agency	Complies; see sections 5 and 6 of the Law							

	Disbursement Linked Indicators (DLIs) and Tests	Findings		Conclusion	Recommendations
		The composition of the Board	Complies; see section 1(2)		
		Membership of the Board/Council includes representatives from Professional Bodies /Associations.	Compliant; see section 1(2)(f)		
		The grounds for removal of the Chief Executive of the Agency	Compliant; the bill only provides for grounds for the removal of the DG. See S. 7(4).		
		Regarding the decisions of the agency; any other reviews after the Board decision should be by Judicial review.	Compliant; see section 2, 54(7-8)		
		*Provided by the World Bank.			
		3. The draft law also applies to all procurement of goods, works, and services carried out by the state government and all procurement entities.			
3	Has the state instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: board, bureau, commission, council, agency or any other type of entity set up for the statutory purpose?	The State has not instituted an independent procurement regulatory function.		Unsatisfactory	
DLR 6.2	Publish contract award information above a threshold set out in the Operations Manual on a monthly basis in OCDS format on [the state website/ on the online portal]			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 that are above the threshold (as defined in the state procurement law or in the state procurement regulation(s), in line	Open contracting is not yet in existence. Contract award information for all contracts awarded during the fiscal year that are above the threshold were not published on State's website.		Unsatisfactory	The State should ensure that contract award information is published online and in the OCDS format.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	with the Open Contracting Data Standards (OCDS)			
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	Approval of state-level public debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits		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?	The team obtained from the state a hard copy of its Gombe State Fiscal Responsibility Law, 2012 enacted which has the State Public Debt Management Law embedded in it. The FR Law submitted by the State has long been in place and used since the year 2012, which is before the deadline requirement of 31 st January 2018	Satisfactory	
2	Does the legislation provide for the creation of a State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council)?	Part VII, Sec.39(2) of the State's FR Law states that, the State Governor shall delegate the function of Debt management to the Commissioner of Finance, whom shall be advised by the State's DMO. Part VII, Sec.39 (4 & 5) Also provides specific functions that should be performed by the State's DMO.	Satisfactory	
3	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.	The FR Law of the state made provisions for the following: (1) Responsibilities for contracting state debt. See S.41(1), (2) Fiscal and debt rule/limits for the state. See Gombe state FR Law 2012 S.39, (3) Responsibilities for recording/reporting state debt. See Gombe state FR Law 2012 S.41(5). The section requires public access to all debt information is guaranteed	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
4	Has the Unit (or Committee, Agency, Board, Bureau, Commission, Council) created by law been operational during the APA year.	<p>From the responses received from the current Director-General, State Debt Management Office Mr. Kabiru Tsoho, the DMO Office was established by him when he was the Head of DMO/Senior Special Assistant on Debt Management in the year 2012. The State DMO has been in existence and in operations since the year 2012, which is before the APA year.</p> <p>We obtained the State SDDR Q4 report submitted and acknowledged by the Federal DMO, which confirms that the State DMO has been active.</p>	Satisfactory	
DLR 7.2	Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018.		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 2018?	<p>This DLI was assessed based on Q4 only, as the revised report template and DMO verification protocols were only implemented in Q4 2018.</p> <p>The State submitted SDDR to DMO as follows:</p> <ul style="list-style-type: none"> • Q3 – 30/10/2018 • Q4 – 27/02/2019 <p>Note: Electronic copies obtained from the State, hence no evidence of DMO’s acknowledgement, however, the DMO report states that Q4 was submitted within the timeline of two months from the end of the quarter.</p>	Satisfactory	
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO:</p> <p>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</p>	<p>From a review of the DMO’s FY 2018 - Revised Assessment Report dated 23rd January 2020 and the SDDR obtained from the State, the following observations were made:</p> <p>1) The State met four out of five criteria applied by the DMO in assessing the State, including on data accuracy. The only criteria not met was that the state did not submit within an internal deadline set by the DMO (not the SFTAS deadline).</p>	n/a	The State should reconcile its debt records and balances with those held by the Federal DMO.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	by the DMO to cross-check the state's domestic debt figures.	<p>2) The review also showed that the Debt Stock reported by DMO for the State for the Fourth Quarter was ₦68,396,176,745.00 as against the Domestic Debt stock of ₦63,337,930,142.60 reported by the State for the Fourth Quarter in its SDDR, given a reporting difference of ₦5,058,246,602.40.</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>		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.		Not Achieved	
1	Has the State established an Arrears Clearance Framework (ACF)?	The State has no Arrears Clearance Framework; however, the State claimed it is working on that.	Unsatisfactory	The State should establish an Arrears Clearance Framework.
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	Same as above	Unsatisfactory	
3	Has the ACF been published on a state official website?	Same as above	Unsatisfactory	
4	Has the State established an Internal Domestic Arrears Database?	The State has a database for contractor's arrears on its website www.mof.gm.gov.ng . However, there were no aggregate balances available for pension and gratuity arrears, salary arrears and other arrears.	Unsatisfactory	The State should establish an Internal Domestic Arrears Database in line with the detailed guidance provided for this DLR.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																						
5	Has the State published online elements of the internal domestic arrears database on a state official website, which constitutes the online publicly accessible arrears database?	The State has published information on contractor arrears on the State official website on www.mof.gm.gov.ng . However, all the other requirements (functionalities) of the internal domestic arrears database, as stated for this result, were not yet met.	Unsatisfactory	The database being compiled by the State should not be limited to only contractors. It should include other arrears such as Pension & Gratuity arrears, Salary arrears and other staff claims.																						
DLI 9: Improved Debt Sustainability																										
DLR 9.0	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2018] AND Total debt stock at end Dec [2018] as a share of total revenue for FY [2018] meets target: Basic target: < [150%], Stretch target: < [125%]		Achieved Stretch target met																							
	Has the State met: (i) the ratio of total debt stock at end-of-year (31 st December 2018) 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 2018)? -Basic target:< [150%] -Stretch target: < [125%]	We obtained a hard copy of 2018 Audited Financial Statement. The adjusted revenue for the State was calculated as follows: <table border="1"> <thead> <tr> <th>REVENUE</th> <th>N</th> <th>N</th> </tr> </thead> <tbody> <tr> <td>Statutory Allocation</td> <td></td> <td>60,378,585,482.15</td> </tr> <tr> <td>IGR</td> <td>7,490,367,833.50</td> <td></td> </tr> <tr> <td>Less: Repayments</td> <td>91,412,308.98</td> <td>7,398,955,524.52</td> </tr> <tr> <td>Other receipts</td> <td></td> <td>5,905,938,204.85</td> </tr> <tr> <td>Adjusted Revenue</td> <td></td> <td>73,683,479,211.52</td> </tr> </tbody> </table> The Debt Stock of the State for the year was determined as follows: As per DMO data <table border="1"> <thead> <tr> <th>DEBT</th> <th>₦</th> </tr> </thead> <tbody> <tr> <td>DOMESTIC DEBT</td> <td>68,396,176,745.00</td> </tr> </tbody> </table>	REVENUE	N	N	Statutory Allocation		60,378,585,482.15	IGR	7,490,367,833.50		Less: Repayments	91,412,308.98	7,398,955,524.52	Other receipts		5,905,938,204.85	Adjusted Revenue		73,683,479,211.52	DEBT	₦	DOMESTIC DEBT	68,396,176,745.00	Satisfactory	
REVENUE	N	N																								
Statutory Allocation		60,378,585,482.15																								
IGR	7,490,367,833.50																									
Less: Repayments	91,412,308.98	7,398,955,524.52																								
Other receipts		5,905,938,204.85																								
Adjusted Revenue		73,683,479,211.52																								
DEBT	₦																									
DOMESTIC DEBT	68,396,176,745.00																									

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations				
		<table border="1" data-bbox="779 168 1362 240"> <tr> <td>EXTERNAL DEBT</td> <td>11,483,663,357.99</td> </tr> <tr> <td>TOTAL DEBT</td> <td>79,879,840,102.99*</td> </tr> </table> <p data-bbox="779 245 1404 272">*Table 3 below holds a breakdown of the Total Debt.</p> <p data-bbox="779 326 1419 391">The debt stock to revenue ratio is calculated based on the DMO debt stock figures as follows:</p> $ \frac{N79,879,840,102.99}{N73,683,479,211.52} \times 100\% = \mathbf{108\%} $ <p data-bbox="779 526 1304 553">Source: DMO Total Debt Stock Report, 2018.</p>	EXTERNAL DEBT	11,483,663,357.99	TOTAL DEBT	79,879,840,102.99*		
EXTERNAL DEBT	11,483,663,357.99							
TOTAL DEBT	79,879,840,102.99*							
	<p data-bbox="268 558 743 873">Has the State met: ((ii) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1st January to 31st December 2018) to the gross FAAC allocation for the same calendar year. Less than :< [40%].</p>	<p data-bbox="779 558 1430 623">The monthly debt service deduction to FAAC allocation ratio is: 16.1%</p> <p data-bbox="779 667 1383 732">Total Debt service deductions = N8,366,840,214.98 Gross FAAC allocation = N50,405,095,892.03</p> $ \frac{N8,406,546,337}{N52,083,840,738} \times 100 = \mathbf{16.1\%} $ <p data-bbox="779 883 1419 911">Source: The figures were obtained from the FAAC allocation table.</p>	Satisfactory					

TABLE 3: DLI 9 31 DECEMBER 2018 STATE DEBT STOCK TABLE FOR GOMBE STATE

NAIRA	GOMBE
1. BUDGET SUPPORT LOAN (SOURCE FMOF)	16,869,000,000
2. BAIL OUT (SALARIES) (SOURCE CBN)	10,331,944,697
3. RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
4. EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,441,747,655
5. STATE BONDS	12,951,520,855
6. COMMERCIAL BANK LOANS	1,741,719,800
7. CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
8. BAIL-OUT (INFRASTRUCTURE)	-
9. MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF) (SOURCE CBN)	2,000,000,000
10. JUDGEMENT DEBTS	-
11. GOVT - GOVT DEBTS	2,096,276,192
12. CONTRACTORS' ARREARS	5,891,113,565
13. PENSION AND GRATUITY ARREARS	7,072,853,980
14. SALARY ARREARS AND OTHER CLAIMS	-
15. OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	68,396,176,745
TOTAL EXTERNAL DEBT (TED)	11,483,663,358
TOTAL PUBLIC DEBT (TED+TDD)	79,879,840,103

Table Notes

1. Domestic debt stock figures (except for categories 1,2,4,7 and 9) are the figures as at 31 December 2018 reported by states to the DMO in their signed Q4 2018 state domestic debt reports.
2. Domestic debt stock categories 1,2,4,7 and 9 figures are the figures of outstanding loans as at 31 December 2018 reported by Federal Ministry of Finance and Central Bank of Nigeria to the DMO as part of the DMO Q4 2018 verification exercise.
3. External debt stock as at 31 December 2018 reported by the DMO.

4. Response from the State

State should please use this box for their response.

GOMBE STATE RESPONSE TO DRAFT REPORT	IVA RESPONSE / TRATMENT
<p>Subject: Re: Draft Report - Gombe State - 2018 Annual Performance Assessment under SFTAS Date: 2020-02-07 18:14 From: Kabiru Tsoho <kabirutsoho38@gmail.com> To: alorye.ugar@oaugf.ng</p> <p>Dear Sir,</p> <p>I wish to refer to your mail and to inform you that the State Government is satisfied with the report.</p> <p>Thank you.</p> <p>Kabiru Tsoho</p>	<p>Noted with thanks.</p>

Appendix A

Report on the achievement of the Eligibility Criteria for the 2018 performance year

Gombe State

YOUR STATE HAS BEEN ASSESSED AS HAVING MET THE ELIGIBILITY CRITERIA FOR THE 2018 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 verification protocols for more detail.

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 2018 Part I - The online publication of Approved Budgets for 2019 by 28 February 2019

Overview				
Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
http://gombestate.gov.ng/?s=2019+BUDGET https://www.google.com/search?client=firefox-b-d&q=gombe+state+ministry+of+budget+and+planning www.mof.gm.gov.ng	A search was done on Gombe State website	The 2019 Budgets were not published on the State Official website.	A request was made on 12/03/2019 to the focal persons to provide evidence of the approved 2019 budget and governor's assent	EC was met The State focal persons responded on 22/03/19 providing an attached document to 2019 Approved Budget and an attached document to the Governor's assent. A copy was saved

Tests/checks performed	Results	Areas for improvement
Is the approved budget for 2019 available on any of the State Government Websites?	Yes	
Was the approved budget published online before 28 February 2019?	Yes	

Is the published budget clear and legible?	Yes	
Can the budget be downloaded?	Yes	
Do we have evidence of assent by the Governor?	Yes	

Eligibility Criteria 2018 Part 2 - The online publication of Audited Financial Statements for 2017 by 31 December 2018

Source(s)	Initial Work Done	Initial Comments/ Observation	Follow up	Final Assessment
https://mof.gm.gov.ng/	A search was done on Gombe State website	No Financial Statements were found on the official state websites	<p>An email was sent to the State Focal persons on 30/01/19 concerning the unpublished Financial Statements.</p> <p>The State Focal persons responded on 06/02/2019 providing an attached document of the Financial Statements. There was no evidence of the Financial Statement published online, and the Financial Statements submitted via email did not contain an Audit Certificate. A follow up call was put through to the state focal persons on 09/04/19.</p>	<p>EC was met</p> <p>The state focal person responded and provided a link (https://mof.gm.gov.ng/) of a newspaper publication of the Financial Statements posted online, and with the Auditor General's signature. The FS does not have an audit certificate. Update – Copy of Audit Certificate was eventually received but was undated.</p>

Tests/checks performed	Results	Areas for improvement
Were the Financial Statements (FS) for 2017 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)	Yes	State should provide a downloadable pdf version of the Financial Statements on their State official website.
Were the Financial Statement for 2017 available and published online before 31 December 2018?	Yes	It was difficult to prove that the publication was done on or before 31 st Dec 2018. On balances, the states assertions were accepted subjected to further checks during the APA.
Are the published financial statements clear and legible?	Yes	
Can the Financial Statements be downloaded?	Partly	The state should publish a

		downloadable copy of the Financial Statements on their State Official Website as opposed to newspaper clippings
Do we have evidence of audit by the State Auditor-General?	Yes	The State should ensure the published Financial Statements contain a dated Audit Certificate.
Are the financial statements complete, including primary statements and disclosure notes?	Partly	The State should publish full disclosure notes along with the financial statements. Also see below
Are there any indications that balances within the financial statements are not credible	Partly	<ul style="list-style-type: none"> i. Discrepancies were observed between cash flow and CRF revenue, and also between statutory revenue cash flow and CRF statement. ii. 2017 VAT in FS slightly different from NBS data iii. Need to reconcile domestic debt data with DMO.