



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

**2019 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**



**November 2020**

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# 1 Executive Summary

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




**Table 1** (below) reflects the outcome of the 2019 APA for Gombe State and shows areas where the State achieved results. In total, Gombe State achieved **9 (Nine)** DLRs out of 15 (Fifteen) DLRs applicable to 2019 while one (1) DLR was achieved in 2018. One of the achieved DLRs was due for assessment during the 2020 APA but has been assessed early as requested by the Programme.





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

1. DLR 4.1: Review for amendments, the Revenue Law (alongside with the revenue code). The revenue law should clearly state the sources of the revenues, (including the Local Governments sources). The amended revenue law and code should be published online.
2. DLR4.2: Improve on IGR collection to at least achieve a 20% annual growth rate as the minimum required for this result to comply with the provision.
3. DLR 6.2: Publish contract award information, above the set threshold, and on a monthly basis in OCDS format on the State's website.
4. DLR 8: Ensure domestic arrears are cleared year on year to achieve total reductions in arrears in line with the targets set for this DLR.
5. DLR 9: Strengthen the State's debt sustainability by achieving the levels of debt indicators that are below the thresholds established for this DLR.

Furthermore, we noted that the debt stock stated in the Federal DMO State Domestic and External Debt Report is different from the debt stock stated in the audited financial statement. The difference has been communicated to the State for explanation.

**Table 1: Assessment Results**

<b>Key:</b>	Achieved 	Not Achieved 	Previously Achieved 
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<b>DLI 1:</b> Improved financial reporting and budget reliability	DLR 1.1: FY19 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		The state published in an average of 5.5 weeks.
	DLR 1.2: FY19 deviation for total budget expenditure is < 25%		The state FY19 deviation was 22.3%
<b>DLI 2:</b> Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2020 budget.		The Citizens' inputs and proposed FY2020 budget were published online on 30 <sup>th</sup> December 2019.
	DLR 2.2: Citizens' budget based on approved FY19 State budget published online by end April 2019.		The Citizens' budget was published online on 30 <sup>th</sup> April 2019

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<b>DLI 3:</b> Improved cash management and reduced revenue leakages through implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 60 percent of state government finances implementation of State TSA		The TSA covered 80.46 % of the State's finances.
<b>DLI 4:</b> 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		Revenue code does not include all sources of revenue for Local Governments. Collection of revenue was not made into accounts nominated by SBIR.
	DLR 4.2: 2019-2018 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more		The IGR declined by -16%
<b>DLI 5:</b> Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 75 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		The State had captured 88.4% of the State' civil servants and pensioners.
	DLR 5.2: Link BVN data to at least 75 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		The State has linked 92.5% of the State' civil servants and pensioners BVN data to the payroll.
<b>DLI 6:</b> 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.		This is a 2020 APA result assessed early. All requirements were met.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the state website		There was no publication of contract award information online. Contract award information published was not in the OCDS format.
<b>DLI 7:</b> 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 the 2018 APA
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2019		The SDDR was submitted to DMO in an average of 4.6 weeks.
<b>DLI 8:</b> Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established <b>and</b> Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.		There was an increase of 159% in domestic arrears

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<b>DLI 9:</b> Improved debt sustainability	Total debt stock at end of December 2019 as a share of total revenue for FY2019 meets target: Basic target: < 140%, Stretch target: < 115%. <b>and</b> Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2019.		Debt stock as a share of total revenue for FY19 is 154%, and the average monthly debt service deduction is 20%

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

## 2. Introduction

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### 2.1 Overview

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

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

### 2.2 Scope

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

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

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit and a template with which to report the results achieved. The assessments were conducted between (23/08/2020 and 29/08/2020) with a team of four persons, starting with an opening meeting where all the information requested were handed over. The visit was concluded with an exit meeting where the initial findings were discussed, and each state was given further opportunity to provide clarifications and/additional information.

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

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

### 3. Assessment Results

#### 3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>DLI 1: Improved Financial Reporting and Budgeting Reliability</b>				
<b>DLR 1.1</b>	<b>Financial Year [2019] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management</b>		<b>Achieved</b>	
1	Has the State published its quarterly budget implementation report to the State official website on average within six weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on <a href="http://www.mof.gm.gov.ng">www.mof.gm.gov.ng</a> and <a href="http://www.gombefinance.org/AuditorGeneral">www.gombefinance.org/AuditorGeneral</a> as follows:</p> <ul style="list-style-type: none"> <li>• Q1 – (30/04/2019) 4.3 weeks (30 days)</li> <li>• Q2 – (31/07/2019) 4.4 weeks (31 days)</li> <li>• Q3 – (03/11/2019) 4.9 weeks (34 days)</li> <li>• Q4 – (30/02/2020) 8.6 weeks (60 Days)</li> </ul> <p>Average week for the online publication is computed as below:</p> $\frac{30+31+34+60}{4}$ <p>Average = 5.5 Weeks (38.75 days)</p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters of the year 2019 and obtained evidence of a time stamp of the publications.</p>	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 classification of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year to date, and balances against each of the revenue and expenditure appropriations.	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s website: <a href="https://mof.gm.gov.ng/budget">https://mof.gm.gov.ng/budget</a>. We observed the following;</p> <ul style="list-style-type: none"> <li>• The State Budget implementation Reports include the approved original Budget appropriation for the year, and was prepared against each organizational Units (MDAs) for each of the core economic classification of expenditures comprising of (Personnel, Overhead, Capital, and others) the actual expenditure for the quarter attributed to each as well as the cumulative expenditure for year to date.</li> <li>• The State Budget Implementation Reports include the actual expenditures for the quarter attributed to (MDAs) as well as the cumulative expenditures for year to date: See page 81 to 173 FS 2019</li> <li>• The State Budget implementation Reports provided balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and Others.</li> <li>• The State does not have a revised budget.</li> </ul> <p>The reports include the approved budget appropriation for the year for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter and the balances against each of the revenue and expenditure appropriations.</p>	Satisfactory	
3	Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for year to date?	Upon review of the State’s Budget Performance reports, it states the actual expenditures for each quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date.	Satisfactory	
4	Does the report State balances against each of the revenue and expenditure	Upon review of the State’s Budget Performance reports, it states the balances against each of the revenue and	Satisfactory	



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	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?	expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.														
<b>DLR 1.2</b>	<b>FY [2019] deviation from total budget expenditure is less than 25%</b>		<b>Achieved</b>													
1	<p>Has the State computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 25%</p>	<p>The State computed the budget deviation for 2019 to be 20.11%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="814 805 1404 976"> <thead> <tr> <th></th> <th>Original Budget</th> <th>Actual Outturn</th> </tr> </thead> <tbody> <tr> <td>Cap. Exp</td> <td>60,936,361,583.00</td> <td>30,715,081,084</td> </tr> <tr> <td>Rec. Exp</td> <td>61,553,247,208.00</td> <td>61,942,054,655</td> </tr> <tr> <td><b>Total</b></td> <td><b>122,489,608,791</b></td> <td><b>92,657,135,739</b></td> </tr> </tbody> </table> $\frac{\text{₱ } 122,489,608,791.00 - \text{₱ } 92,657,135,739}{\text{₱ } 122,489,608,791.00} \times 100 = 24.35\%$ <p>The budget performance deviation is 24.35%</p> <p><b>Source:</b> 2019 Audited Financial Statement Pages 19 and 20 and Approved Budget Expenditure and Actual Expenditure Page 30.  <b>Note:</b> The State is operating a cash basis accounting system.</p>		Original Budget	Actual Outturn	Cap. Exp	60,936,361,583.00	30,715,081,084	Rec. Exp	61,553,247,208.00	61,942,054,655	<b>Total</b>	<b>122,489,608,791</b>	<b>92,657,135,739</b>	Satisfactory	
	Original Budget	Actual Outturn														
Cap. Exp	60,936,361,583.00	30,715,081,084														
Rec. Exp	61,553,247,208.00	61,942,054,655														
<b>Total</b>	<b>122,489,608,791</b>	<b>92,657,135,739</b>														
<b>DLI 2: Increased Openness and Citizens' Engagement in the Budget Process</b>																

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2020] budget		Achieved	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with participation of local government authorities and State-based CSOs?	<ul style="list-style-type: none"> <li>a) The following LGAs were represented: Kwami LGA, Dukku LGA, Akko LGA, Y/deba LGA, Billiri LGA, Nafada LGA, and Shongom LGA.</li> <li>b) The CSO representatives in attendance were Association of NGOs Gombe State, Farmers Association of Nigeria, Small Scale Women Farmers of Nigeria (SWOFON) Gombe, National Council of Women Societies (NCWS), the Society for Water and Sanitation (NEWSAN), Civil Society for HIV/AIDS in Nigeria (CISHAN), National Association of Nigerian Nurses and Midwives (NANNM), All women Inclusive Foundation, Gender Awareness &amp; Development Association, and Child Protection Network.</li> <li>c) The sources of information from which our conclusions were drawn are the minutes of the meeting, attendance register and pictures.</li> <li>d) The date of the meeting was 3rd December 2019 at the Jewel hall, College of Nursing and Midwifery, Gombe, Gombe State.</li> <li>e) Ten attendees were called to confirm their attendance at the public consultation and they confirmed participation in the town hall meetings.</li> <li>f) The budget was drafted on 6th December 2019</li> <li>g) The date of the consultation was 3rd December and the date of the draft budget was 6th December 2019. The consultation meeting was done first.</li> </ul>	Satisfactory	
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the	<ul style="list-style-type: none"> <li>a) A key representative of CSOs co-signed the minutes of meeting.</li> <li>b) The title of the minutes is "Report of a one-day Town Hall Meeting on Gombe State 2020 Budget Proposal" held on 3<sup>rd</sup> December 2019.</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	proposed annual budget on or before 31 January 2020 to enable citizens to find the inputs easily?	<p>c) The CSOs represented the Association of CSOs.</p> <p>d) The weblink to the budget consultation is: <a href="https://mof.gm.gov.ng/budget">https://mof.gm.gov.ng/budget</a></p> <p>e) The date of online publication of the minute of consultation was 30<sup>th</sup> December 2019.</p> <p>f) See Appendix A for weblinks to the proposed/final budget</p>		
<b>DLR 2.2</b> New	<b>Citizens' budget based on approved FY19 State budget published online by end April 2019.</b>		<b>Achieved</b>	
1 New	Has the State published online, on the State website(s) a <i>Citizens Budget based on the approved FY19 state budget</i> not later than 30 April 2019?	The Citizens budget based on approved FY19 State budget was published on the due date 30 <sup>th</sup> April 2019 on <a href="https://mof.gm.gov.ng/budget">https://mof.gm.gov.ng/budget</a> .	Satisfactory	
2 New	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY19 state budget?	<p>We confirmed that the Citizens budget summarizes in a comprehensible manner to citizens the approved FY19 state budget and it was prepared in the format suggested to the States. It accurately includes the key budget information from the original budget, including the following;</p> <p>i. A simple explanation of the annual budget/citizens budget: The Citizens Budget is presented in a summarized and simplified manner for the citizens to understand.</p> <p>ii. Breakdown of revenues and expenditures: <b>Revenue</b></p> <p>a) Statutory allocation</p> <p>b) Value added tax</p> <p>c) Other statutory revenue</p> <p>d) Domestic grants</p> <p>e) Foreign grants</p> <p>f) Opening Balance</p> <p>f) Sales of government assets</p> <p><b>Expenditures</b></p> <p>a) Personnel cost</p> <p>b) Overhead cost</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		c) Consolidated revenue charges d) Transfers e) Total capital expenditure iii. Disclosure of Budget deficit (if any) and how it will be financed: There was a Budget deficit of N16.8 billion. The deficit will be financed from N22.2 billion of total financing facility. iv. Sectoral Allocation (MDAs by MDAs): a) Ministry of Agriculture & Animal Husbandry N 845,000,000.00 b) Ministry of Education N 4,771,485,000.00 c) Ministry of Health N 4,220,000,000.00 d) Ministry of Women Affairs N 862,900,000.00 e) Ministry of Works & Transport N 19,016,500,000.00 f) Ministry of Youths & Sports Development N 695,000,000.00 v. Top 5 projects to be financed: a) Township & Rural Roads Construction b) Construction / Improvement of Hospitals c) Purchase of Agric Supplies, Chemicals & Fertilizer d) Provision & improvement of Township Water Supply e) Other Capital Projects		
<b><i>DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA</i></b>				
<b>DLR 3.0</b>	<b>Improved cash management and reduced revenue leakages through implementation of State TSA</b>		<b>Achieved</b>	
1	Has the State established a functional State-level TSA?	a. The State has established a functional State-level TSA.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>b. The State TSA covers IGR, FAAC allocations and VAT allocations with the following account details:</p> <ul style="list-style-type: none"> <li>• IGR Main Account: Access Bank account No. 0056754317.</li> <li>• FAAC Account: Access Bank account No. 0003273131.</li> <li>• VAT Account: GTB Account No. 0111207560.</li> </ul> <p>c. The TSA Account name is TSA Account domiciled at Access Bank with Account number, 0003273131.</p>		
2	<p>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 requirements and provide reliable information on the availability of funds.</p> <p>The State has a Cash Management Strategy established in December 2019, which does cover the 2019 year of assessment.</p> <p>a) The cash management strategy is called “Gombe State Cash Management Strategy”.</p> <p>b) It was produced on 10th December 2019 and it was signed by the Executive Governor of the State.</p> <p>c) The processes can be found in Section 3.2, paragraph 4 “Overview of Cash Management Strategy” and Section 6.4 to 6.8 of the Cash Management Strategy.</p> <p>d) The State’s Cash Management Strategy stated in section 6.8(e) that “The consolidation of government cash resources shall take place within 48hours of collections” The system currently being practiced by the state is online real time. Revenue reflects in the TSA IGR account when payments are made.</p> <p>e) There is evidence of implementation of processes described in the Cash Management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	Satisfactory	
3	<p>Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based</p> <p>The State has a computer application where the State can view cash balances in bank accounts on a single TSA dashboard.</p> <p>a) The Computer Application name is REMITA, and the producer of the Application is System Specs.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	on the approved cash management strategy)?	<p>b) The system is in line with the Cash Management Strategy of December 2019.</p> <p>c) The payment module of the app was deployed in January 2015, and the Revenue module was deployed in January 2017.</p>														
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.	<p>a) The TSA Revenue Account of the State is Gombe State TSA IGR Account with Access Bank 0056754317 and Gombe State TSA FAAC Account with Access Bank 0003273131.</p> <p>b) The State Government Monies (IGR, FAAC and VAT) goes through this account.</p> <p>c) Government monies do not sit in the other revenue collecting banks, revenues are paid directly to the TSA IGR account real time.</p> <p>d) The TSA IGR and TSA FAAC bank Statements have been obtained.</p>	Satisfactory													
5	Does the TSA cover a minimum of 60% of the State Government's finances?	<p>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 2019.</p> <p>See the computation below:</p> <table border="1" data-bbox="751 1027 1335 1208"> <thead> <tr> <th></th> <th>Total Inflows</th> <th>Total Outflows</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>82,121,476,719.00</td> <td>80,353,064,517.00</td> </tr> <tr> <td>Government Finances*</td> <td>103,594,410,217.57</td> <td>98,420,109,192.56</td> </tr> <tr> <td>Percentage</td> <td>79.27%</td> <td>81.64%</td> </tr> </tbody> </table> <p>The average is percentage computation is:</p> $\frac{79.27\% + 81.64\%}{2} = 80.46\%$ <p>The TSA covered 80.46 % of the State's finances.</p>		Total Inflows	Total Outflows	TSA Bank Statement	82,121,476,719.00	80,353,064,517.00	Government Finances*	103,594,410,217.57	98,420,109,192.56	Percentage	79.27%	81.64%	Satisfactory	
	Total Inflows	Total Outflows														
TSA Bank Statement	82,121,476,719.00	80,353,064,517.00														
Government Finances*	103,594,410,217.57	98,420,109,192.56														
Percentage	79.27%	81.64%														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		*Sources: 2019 Audited Financial Statement (Cashflow Statement) Page14 and the TSA Statement from (Access Bank) for the period (1-1-2019 to 31-12-2019).		
<b>DLI 4: Strengthened Internally Generated Revenue (IGR) Collection</b>				
<b>DLR 4.1</b>	<b>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</b>		<b>Not Achieved</b>	
1	Does the State have up-to-date consolidated revenue code which includes all the State's IGR sources and all the local governments (falling under that State) IGR sources?	<ul style="list-style-type: none"> <li>a) Gombe State Revenue (Codification and Consolidation) Law, 2020 was passed by the State House of Assembly on the 19th of May 2020 and assented to by the Governor on the 21st May 2020.</li> <li>b) The Consolidated Revenue Code is separate from the Gombe State Revenue (Codification and Consolidation) Law, 2020.</li> <li>c) The State has one Revenue Law.</li> <li>d) The Consolidated Revenue code is not yet approved.</li> <li>e) The State website is: <a href="http://irs.gm.gov.ng/gombe-state-revenue-law">irs.gm.gov.ng/gombe-state-revenue-law</a></li> <li>f) The State does not have an approved Revenue code however the Revenue Law includes all State IGR Sources and not all LGs (falling under the State) IGR Sources.</li> <li>g) The State does not have an approved consolidated revenue code however IGR rates are contained in the State Revenue Law.</li> </ul>	Unsatisfactory	The State should amend its current harmonised law to include all sources of revenue for local governments

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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) Section 92 of the consolidated revenue Law stipulates that the Gombe State Bureau of Internal Revenue Service (BIRS) is the sole agency responsible for State revenue.	Satisfactory	
3	Is the collection of revenues is made into accounts(s) nominated by the SBIR OR SBIR has full oversight of the accounts and is responsible for reporting and accounting for the revenues	a) The Gombe State Bureau of Internal Revenue Service collection of revenue is made into accounts not nominated by them. Specifically, there was no evidence presented by the State during the assessment to show that the IGR Accounts are nominated by the SBIR. b) Section10(d) charges the SBIRS to collect, recover, and pay to the designated account any tax, levy and other revenue howsoever established due to the state. c) The Gombe State Internal Revenue Service is responsible for the Reporting and Accounting for all Revenues except the PAYE. PAYE Tax is transferred directly to the Access CRF FAAC (Expenditures) Account No: 0003273131.	Unsatisfactory	State should revalidate revenue accounts by ensuring SBIR/SIRS nominates such accounts
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 State Revenue code has not been approved however the state revenue law was approved on the 21 <sup>st</sup> May, 2020.	Unsatisfactory	The State should ensure that required amendments to the law are concluded as soon as possible in view of upcoming APAs.
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	a) A copy of the Gombe State Revenue (Codification and Consolidation) Law, 2020 was downloaded. b) The Revenue Law was downloaded on the 27th August 2020 c) The Law is published on the State website: <a href="http://irs.gm.gov.ng/gombe-state-revenue-law">irs.gm.gov.ng/gombe-state-revenue-law</a>	Satisfactory	



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																																												
<b>DLR 4.2</b>	<b>Annual nominal IGR growth rate meets target</b>		<b>Not Achieved</b>																																													
1	<p>Has the 2019-2018 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: 20%-39% Stretch Target: 40% or more</p>	<p>a. IPSAS Cash Basis of Accounting was adopted by the state for 2018 and 2019 Audited Financial Statements.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>NGN</th> <th>NGN</th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2018</th> <th>2019</th> <th></th> </tr> </thead> <tbody> <tr> <td><b>1. Reported IGR in AFS (Before Adjustments)</b></td> <td>7,490,367,834</td> <td>6,832,026,080</td> <td>-9%</td> </tr> <tr> <td><b>2. INVALID items to be deducted IF reported as part of IGR</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Paris club refund</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)</td> <td>219,502,516</td> <td>478,773,384</td> <td></td> </tr> <tr> <td>Sale of govt property, privatization proceeds</td> <td>1,354,050</td> <td>7,463,040</td> <td></td> </tr> <tr> <td>Interest Earned</td> <td>7,078,552</td> <td>28,795,053</td> <td></td> </tr> <tr> <td>Miscellaneous</td> <td>93,573,098</td> <td>266,541,401</td> <td></td> </tr> <tr> <td><b>3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)</b></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)</td> <td>7,168,859,618</td> <td>6,050,453,202</td> <td>-16%</td> </tr> </tbody> </table> <p style="text-align: center;"> <math display="block">\frac{\text{₦ } 6,050,453,202 - \text{₦ } 7,168,859,618}{\text{₦ } 7,168,859,618} \times 100</math> </p>		NGN	NGN	% GROWTH	Item	2018	2019		<b>1. Reported IGR in AFS (Before Adjustments)</b>	7,490,367,834	6,832,026,080	-9%	<b>2. INVALID items to be deducted IF reported as part of IGR</b>				Paris club refund				Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)	219,502,516	478,773,384		Sale of govt property, privatization proceeds	1,354,050	7,463,040		Interest Earned	7,078,552	28,795,053		Miscellaneous	93,573,098	266,541,401		<b>3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)</b>				Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	7,168,859,618	6,050,453,202	-16%	<p>Unsatisfactory</p>	<p>The State should improve on their IGR collection to at least achieve a 20% annual growth rate as the minimum required for this result.</p>
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p style="text-align: center;">= (16%)</p> <p>There was a decline in growth by -16%</p> <p>Source: 2019 Audited Financial Statements Page 82 to 109</p>		
<b>DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud</b>				
<b>DLR 5.1</b>	<b>Biometric capture of at least [75] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll</b>		<b>Achieved</b>	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 75% of the current civil servants and pensioners on the State payroll?	<p>The State commenced the Biometric data capture of civil servants and pensioners in 2016 and it is still ongoing.</p> <p>a) The Biometric Data capture was outsourced to Human Capital Managers (HCM) Nigeria Limited.</p> <p>b) The total number of civil servants is 20,651</p> <p>c) The total number of pensioners is 6,376</p> <p>d) The total number of Staff on the State nominal roll is 20,774.</p> <p>e) The biometric data of 17,862 Gombe state civil servants and 6,031 pensioners have been captured.</p> <p>f) The documents obtained for our conclusion are Summary of civil servants and pensioners payroll from January 2019 to December 2019, Biometrics Verification Exercise Interim Report (II) and sample test carried out on the payroll system of the state.</p> $\frac{23,893}{27,027} \times 100 = 88.4\%$ <p>The State had captured 88.4% of the State' civil servants and pensioners.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<p>a) The State commenced the linkage of Biometric data to payroll in 2016 and it is still ongoing.</p> <p>b) The biometric date of 17,862 civil servants and 6,031 pensioners have been linked to the payroll.</p> <p>c) Ghost workers detected during the biometric validation of Civil servants was 128 and ghost pensioners was 269.</p> <p>d) Money saved from ghost workers detected is N10,658,204.33</p> <p>e) In-year changes to the civil servant and pensioner payrolls (as a result of starters, leavers, deaths etc.) were captured during the biometric exercise.</p> <p>f) There are procedures in place for timely updates to the payroll to reflect leavers, retirees and deaths. The procedure is that monthly reports (if any) on changes, promotions, retirements, deaths or suspension of staffs are received. The report is signed by the Accounting officer of the affected Ministry, department or agency and passed to the Audit department for verification. It is afterwards sent to payroll department for stoppage of payments to such persons.</p>	Satisfactory	
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<p>a) The number of ghost civil servants detected during the linkage is 128 and the number of ghost pensioners detected is 269.</p> <p>b) The record kept for identified ghost workers include: The Stoppage of staff of Gombe State civil servants and pensioners from January 2019 to December 2019, report of the committee for the implementation of State Government resolutions on staff biometric verification of the State and Local Governments and Biometrics Verification Exercise Interim Report (II).</p> <p>c) The ghost workers were identified in 19<sup>th</sup> August 2019 and were removed immediately when they are reported (i.e within 3 months). The Identified ghost civil servants were removed from the payroll on the 31<sup>st</sup> December 2019 and ghost pensioners were removed from the payroll on the 30<sup>th</sup> November 2019.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) Payroll figure before the removal of ghost civil servants and pensioners is 27,027</p> <p>e) Payroll figure after the removal of ghost civil servants and pensioners is 26,630</p> <p>f) The sources of this information are summary of civil servants and pensioners payroll from January 2019 to December 2019, Stoppage staff of Gombe State civil servants and pensioners from January 2019 to December 2019, report of the committee for the implementation of State Government resolutions on staff biometric verification of the State and Local Governments and Biometric Verification Exercise Interim Report (II)</p>		
5.2	<b>Link BVN data to at least [75] percent of current civil servants and pensioners on the payroll and payroll fraud addressed</b>		<b>Achieved</b>	
1	Has the State linked the Bank Verification Number data to 75% of its current Civil Servants and pensioners on the State payroll?	<p>The State commenced the linkage of the BVN data of state civil servants and pensioners to the payroll in 2016 and it is still ongoing.</p> <p>a) The linkage of the BVN was outsourced to Human Capital Managers (HCM) Nigeria Limited.</p> <p>b) The total number of civil servants is 20,651</p> <p>c) The total number of pensioners is 6,376</p> <p>d) The total number of staff on the State nominal roll is 20,774</p> <p>e) The total number of BVN data of civil servants linked to the payroll is 19,083 and BVN data of pensioners linked to the payroll is 5,924</p> <p>f) The document obtained for our conclusion is the BVN linked report as of December 2019</p> $\frac{25,007}{27,027} \times 100 = \underline{92.5\%}$	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The State has linked 92.5% of the State' civil servants and pensioners BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	<ul style="list-style-type: none"> <li>a) The Total number of civil servants with BVN is 19,083 and the Total number of pensioners with BVN is 5,924</li> <li>b) The record kept for identified payroll fraud is the Stoppage staff of Gombe State civil servants and pensioners from January 2019 to December 2019.</li> <li>c) The payroll frauds for civil servants were identified on 31<sup>st</sup> December 2019 and payroll frauds for pensioners were identified on 30<sup>th</sup> November 2019.</li> <li>d) The payroll figure prior to the identification of payroll fraud is 20,663.</li> <li>e) The total number of ghost workers pensioners before removal is 6,364 and after removal is 6,376, subject to addition of new pensioners.</li> <li>f) The source of this information is the Stoppage staff of Gombe State civil servants and pensioners from January 2019 to December 2019.</li> </ul>	Satisfactory	
<b>DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money</b>				
<b>DLR 6.1</b>	<b>Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget</b>		<b>Achieved</b>	
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?	<ul style="list-style-type: none"> <li>a) The State has the "Gombe state council on public procurement and public procurement bureau Law, 2019".</li> <li>b) The Law has been approved by the state legislature.</li> <li>c) The procurement Law has been passed.</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>d) The authorizing office is the Gombe state House of Assembly.</p> <p>e) Approval of the law occurred on 27th December 2019 and the date of assent was 30th December 2019</p> <p>f) The date of its online publication is 31<sup>st</sup> December 2019.</p> <p>g) The Law is published on the State website:  <a href="https://mof.gm.gov.ng/DueProcess">https://mof.gm.gov.ng/DueProcess</a></p>		
2	<p>Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency; and 3) cover all MDAs receiving funds from the State budget.</p> <p>The Gombe state public procurement Law, 2019 is substantially structured along the lines of the UNICITRAL Model Law</p> <p>a) We noted the following during our review of the legislation;</p> <p>1) <b>E-procurement:</b> The Law provides for the Council to approve changes in the procurement process to adapt to improvements in modern technology - <b>S.2 (d)</b>. The procurement law provides the Council to monitor the prices of tendered items and keep a State database of standard prices Section 11(e); Publish paper and electronic editions of the procurement journal and maintain an archival system for the procurement journal (g); Maintain a State database of the particulars and classification and categorization of contractors and service providers (h); Introduce, develop, update and maintain related database and technology (r); Establish a single internet portal that shall, subject to Section 16 (10) serve as a primary and definitive source of all information on government procurement containing and displaying all public sector procurement information at all times (s).</p> <p>The law therefore complies with the requirements for e-procurement.</p> <p><b>2. Independence</b> - The results of our assessment of the legislation for independence are in the table below:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations												
		<table border="1"> <thead> <tr> <th>Required Provisions*</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>The Functions and Powers of the Agency</td> <td>Compliant; see sections 11 &amp; 12</td> </tr> <tr> <td>The composition of the board</td> <td>Complies, See section 1(2)</td> </tr> <tr> <td>Membership of the Board/Council includes representatives from Professional bodies and associations.</td> <td>Complies, see section 1(2)</td> </tr> <tr> <td>The grounds for removal of the Chief Executive of the agency.</td> <td>Complies, see section 13(4)</td> </tr> <tr> <td>Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review</td> <td>Complies, See Section 59(8)</td> </tr> </tbody> </table>	Required Provisions*	Result	The Functions and Powers of the Agency	Compliant; see sections 11 & 12	The composition of the board	Complies, See section 1(2)	Membership of the Board/Council includes representatives from Professional bodies and associations.	Complies, see section 1(2)	The grounds for removal of the Chief Executive of the agency.	Complies, see section 13(4)	Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Complies, See Section 59(8)			
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		<p>*Provided by the World Bank</p> <p><b>3. Establishment of an independent procurement regulatory agency</b></p> <p>a) The Law provides for the establishment of an independent procurement regulatory function known as Gombe state public procurement bureau, See section9.</p> <p>b) The provisions of the Law apply to all procurement of goods, works and services carried out by state and its local governments.</p> <p>c) Cover all MDAs receiving funds from the State Budget: The Law covers all MDAs receiving funds in procurement. see Section 21 sub-section (1).</p>															
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency or any other	a) The State has instituted an independent procurement regulatory function known as Gombe State Public Procurement bureau.		Satisfactory													

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	type of entity set up for the statutory purpose?	<ul style="list-style-type: none"> <li>b) The procurement regulatory function is being performed through a Bureau setup for that purpose.</li> <li>c) The bureau is responsible for prescribing regulations and procedures for public procurements in accordance with the legal framework.</li> <li>d) Evidences obtained to demonstrate that the regulatory agency is active and effective includes the IVA visit to the Gombe State public procurement bureau, interview held with the chief executive, management and other operational staff of the bureau and the physical inspection of the bureau.</li> <li>e) A record of 5 procurement cases handled by the Bureau was used in performing the walkthrough to confirm the effective handling of the selected cases.</li> <li>f) Review of the Public Procurement Law was done, interview was conducted with the Chief Executive and Management of the bureau, walkthrough on randomly selected cases handled by the Bureau. Documents sighted include copy of advertisement, certificate of no objection, comparison for quotation, cost estimates, minutes of the meeting, due process certificates.</li> </ul>		
<b>DLR 6.2</b>	<b>Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on [the State website/on the online portal]</b>		<b>Not Achieved</b>	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year(2019) that are above the threshold (as defined in the State procurement law or in the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS).	<ul style="list-style-type: none"> <li>a) A schedule of all contracts awarded during the year under assessment above the threshold (as defined in the state procurement law) was obtained.</li> <li>b) The State has not published any data in line with the open contracting data standards (OCDS)</li> </ul>	Unsatisfactory	State should adopt the OCDS and publish contract award information online as required under the standard.



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework</b>				
<b>DLR 7.1</b>	<b>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.</b>	3.1.1 The findings below are from the 2018 APA Report.	<b>Previously Achieved in 2018</b>	
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?	Reference to 2018 APA	Satisfactory	
2	Does the legislation include provisions which establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.	Reference to 2018 APA	Satisfactory	
4	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt.	Reference to 2018 APA	Satisfactory	
<b>DLR 7.2</b>	<b>Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarters in 2019</b>		<b>Achieved</b>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2019?	<p>a) The State produced quarterly domestic debt reports approved by the DMO on an average of <u>two</u> months after the end of the quarter.</p> <p>We obtained evidence that the state produced quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> <li>• Q1 submitted on (30/4/2019) 4.2 weeks (30 days),</li> <li>• Q2 submitted on (31/7/2019) 4.4 weeks (31 days),</li> <li>• Q3 submitted on (03/11/2019) 4.9 weeks (34 days) and</li> <li>• Q4 submitted on (03/02/2020) 4.9 weeks (34 days).</li> </ul> $\frac{4.2+4.4+4.9+4.9}{4} = 4.6 \text{ weeks}$ <p>The SDDRs were submitted within an average of less than 2 months (4.6 weeks or 32.2days).</p>	Satisfactory	
2	<p><b>Note: Have you reviewed for accuracy and completeness from the DMO:</b></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 by the DMO to cross-check the state's domestic debt figures.</p>	<p>We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Gombe State Debt Domestic Report and both showed different amount of ₦ 104,218,826,104 and ₦ 95,138,857,495.86, respectively. The report was supported with the DMO's templates and guidelines.</p> <p>We reviewed the DMO report and the DMO report confirmed the accuracy and completeness of the State Domestic Debt Report.</p> <p>A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data.</p>	n/a	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears</b>				
<b>DLR 8.0</b>	<p><b>Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.</b></p> <p><b>AND</b></p> <p><b>Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.</b></p> <p><b>-Basic target:</b> At least a 5% decline or maintain stock below N5 billion</p> <p><b>-Stretch target:</b> More than 20% decline</p>	The State submitted to the IVA the annual State Arrears recording, verification and clearance report (SARVCR).	<b>Not Achieved</b>	
1	Has the State established an Arrears Clearance Framework (ACF)?	<p>a) The State has established an Arrears Clearance Framework.</p> <p>b) We obtained a copy of the Arrears Clearance Framework from the State.</p> <p>c) The establishment of ACF occurred on the 22 October 2019.</p>	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<p>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</p> <p>b) The state met the two requirements stated above: planned actions to settle arrears are detailed in the State's ACF Page 7.</p> <p>c) The IV carried out work to the download and review a copy of the ACF from the official website. No other document was submitted by the State to confirm the ACF exists.</p>	Satisfactory	
3	Has the ACF been published on a State official website?	<p>a) The ACF has been published on the State official website</p> <p>b) We have downloaded a copy for validation. The ACF is available on <a href="https://mof.gm.gov.ng/Account/Login?ReturnUrl=%2FDMOHome">https://mof.gm.gov.ng/Account/Login?ReturnUrl=%2FDMOHome</a></p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	a) Clearance of domestic expenditure arrears is consistent with the Arrears Clearance Framework.	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State has established an Internal Domestic Arrears Database.</p> <p>b) The internal Domestic Arrears Database includes the following:</p> <ul style="list-style-type: none"> <li>a. The aggregate of ₦24,485,868,211.38 and individual amounts of contractors' arrears.</li> <li>b. The aggregate amount of pension and gratuity arrears of ₦9,140,622,657.00</li> <li>c. The aggregate amount of salary arrears and other staff claims is nil.</li> <li>d. The aggregate amount of other types of domestic arrears is nil.</li> </ul> <p>c) A verification process is in place for the arrears in the database.</p> <p>d) We conducted a test to ascertain the accuracy of the figure in the internal domestic arrears database and randomly invited 5 contractors for the comparison of figures in their Certificate of Valuation (CVs) with the figures on the portal.</p>	Satisfactory	
6	Has the State published online elements of the internal domestic arrears database for the FY 2018 and FY 2019 reported on a State official website, which constitutes the online publicly accessible arrears database?	<p>a) The State has published online <a href="https://www.mofgombe.org/ACF/ACFIndex">https://www.mofgombe.org/ACF/ACFIndex</a> the required elements of Internal Domestic Arrears Database as at end of 2018 and 2019.</p> <p>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.</p> <p>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</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		<p>the state ministry of finance, by sending a message with all required information about the claim and if the state ministry of finance confirms the validity of the claim, it shall be added to the internal domestic arrears database and included as relevant in the online publicly accessible arrears database. Contractors excluded from the database contacts the Debt management office, Gombe state ministry of finance physically or by email via dmogombe@mof.gm.gov.ng.</p> <p>d) We confirmed that the online webpages include facility for a contractor with arrears(creditor) to report any omissions to the State.</p> <p>e) A test of the facility for contractors with arrears(creditors) to report any omissions to the state was done by putting dummy details online in false pretense as a creditor and instant response was gotten from the state.</p> <p>f) No omissions were reported by contractors for the year.</p>				
7. New	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding N20million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	<p>The online publication is on <a href="https://www.mofgombe.org/ACF/ACFindex">https://www.mofgombe.org/ACF/ACFindex</a> includes the aggregate amounts for the four types of arrears as shown above.</p> <p>The online publication contains the names of contractors owed ₦20m in arrears and above.</p>			Satisfactory	
New	Has the State met the following:	<p><b>Aggregate Amount of:</b></p> <p>Contractors Arrears</p>	<p><b>2019</b></p> <p>24,485,868,211.38</p>	<p><b>2018</b></p> <p>5,891,113,565.48</p>	Unsatisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations	
	<p>(ii) Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.</p> <p><b>-Basic target:</b> At least a 5% year-on-year decline or maintain stock or arrears below N5billion.</p> <p><b>-Stretch target:</b> More than 20% year-on-year decline.</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of year, compared to the previous year, expressed in percentage terms.</i></p>	Pension and Gratuity arrears	9,140,622,657.00	7,072,853,980.18		
		Salary arrears and Staff claims	-	-		
		Other types of domestic expenditure arrears	-	-		
		<b>Total Domestic Arrears</b>	33,626,490,868.38	12,963,967,545.66		
		<p>a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database.</p> $\frac{\text{₦12,963,967,545.66} - \text{₦33,626,490,868.38}}{\text{₦12,963,967,545.66}} \times 100 = 159\%$ <p>There is percentage increase of 159%</p> <p><b>Source:</b> State internal domestic expenditure arrears database.</p> <p>We further sought to understand the reasons for the significant jump in arrears and were informed that the increase was as a result of reconciliation and capturing of new Certificates of valuation of contractors.</p>				
<b>DLI 9: Improved Debt Sustainability</b>						
<b>DLR 9.0</b>	<p><b>Average monthly debt service deduction is &lt; 40% of gross FAAC allocation for FY [2019]</b></p> <p><b>AND</b></p> <p><b>Total debt stock at end Dec [2019] as a share of total revenue for FY [2019] meets target:</b></p> <p><b>-Basic target: &lt; [140%]</b></p> <p><b>-Stretch target: &lt; [115%]</b></p>			<b>Not Achieved</b>		
	Has the State met:	The IVA computed the percentage of total monthly service deductions/Gross FAAC Allocation for this year APA.		Satisfactory		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																						
<p>(i) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1<sup>st</sup> January to 31<sup>st</sup> December 2019) to the gross FAAC allocation for the same calendar year?</p> <p><b>Less than</b> :&lt; [40%]</p>	<p>Total Service Deduction ₦10,590,958,326_x100 Gross FAAC ₦51,846,049,863</p> <p>= 20 %</p> <p><b>Source:</b> FMOF (FAAC)</p>																								
<p>Has the State met:</p> <p>(ii) the ratio of total debt stock at end-of-year (31<sup>st</sup> December 2019) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1<sup>st</sup> January to 31<sup>st</sup> December 2019)?</p> <p><b>-Basic target:</b>&lt; [140%] <b>-Stretch target:</b> &lt; [115%]</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p><b>Total Public Debt</b></p> <table border="1" data-bbox="730 581 1419 756"> <thead> <tr> <th></th> <th>Financial Statements</th> <th>DMO figures (Adj)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>80,234,444,951.14</td> <td>93,090,307,719</td> </tr> <tr> <td>Total External Debts</td> <td>11,128,518,385</td> <td>11,128,518,385</td> </tr> <tr> <td><b>Total Public Debts</b></td> <td><b>91,362,963,336.14</b></td> <td><b>104,218,826,104</b></td> </tr> </tbody> </table> <p><b>Total annual revenue</b></p> <table border="1" data-bbox="730 850 1367 1032"> <tbody> <tr> <td>2019 Adjusted IGR (see DLI 4.2)</td> <td>6,050,292,825</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>55,132,858,979.00</td> </tr> <tr> <td>Grants</td> <td>6,119,725,729.46</td> </tr> <tr> <td>Other Revenues</td> <td>295,556,931.00</td> </tr> <tr> <td><b>Total Revenue**</b></td> <td><b>67,598,434,463.46</b></td> </tr> </tbody> </table> <p><i>a.</i> The states' domestic debt stock figure in the federal DMO state Domestic and External Debt Report 2019 is as at the end of Q4 2019.</p> <p>We have computed the total debts stock / Revenue percentage for the 2019 year, as follows:</p> <p>= ₦104,218,826,104 x 100</p>		Financial Statements	DMO figures (Adj)	Total Domestic Debts	80,234,444,951.14	93,090,307,719	Total External Debts	11,128,518,385	11,128,518,385	<b>Total Public Debts</b>	<b>91,362,963,336.14</b>	<b>104,218,826,104</b>	2019 Adjusted IGR (see DLI 4.2)	6,050,292,825	Gross FAAC Allocation	55,132,858,979.00	Grants	6,119,725,729.46	Other Revenues	295,556,931.00	<b>Total Revenue**</b>	<b>67,598,434,463.46</b>	<p>Unsatisfactory</p>	<p>Strengthen the State's debt sustainability by achieving the levels of debt indicators that are below the thresholds established for this DLR.</p>
	Financial Statements	DMO figures (Adj)																							
Total Domestic Debts	80,234,444,951.14	93,090,307,719																							
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
		<p style="text-align: center;">           ₦67,598,434,463.46            = 154%         </p> <p> <b>Sources:</b> For Total Revenue 2019 Audited Financial Statement, Pg. 46. For Total Public Debt from DMO* as at December 31 2019.         </p> <p>           *Table 3 below holds a breakdown of the Total Debt.            **Table 3(ii) holds the breakdown of Revenue         </p> <p>           b. The debt stock stated in the federal DMO state Domestic and External Debt Report is not the same with the debt stock stated in the audited financial statement.         </p> <p>           c. There is a difference of between the Debt stock stated in the federal DMO state Domestic Report (SDEDR). The External Debt Report is ₦104,218,826,104 while debt stock stated in the Audited Financial statement is ₦91,362,963,336.14.         </p> <p>           d. The difference has been communicated to the State for explanation.         </p> <p>           e. The difference has been calculated in value ₦ 12,855,862,767.86(₦104,218,826,104 - ₦91,362,963,336.14) and in percentage terms as 14% (₦104,218,826,104 - ₦91,362,963,336.14 / ₦91,362,963,336.14*100)         </p> <p>           f. The SDEDR has been amended and resubmitted to the IVA with explanations.         </p>		



**TABLE 3: DLI 9 31 DECEMBER 2019 STATE DEBT STOCK TABLE FOR GOMBE STATE**

<b>GOMBE STATE</b>	<b>AMOUNT (₦)</b>
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,081,217,713
BAIL OUT (SALARIES) (SOURCE CBN)	9,960,312,672
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,117,333,802
STATE BONDS	9,937,228,885
COMMERCIAL BANK LOANS	11,787,544,093
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOANS (CBN FACILITY)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	2,000,000,000
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	772,312,281
CONTRACTORS' ARREARS	19,731,522,551
PENSION AND GRATUITY ARREARS	8,702,835,723
SALARY ARREARS AND OTHER CLAIMS	-
OTHER DEBTS	-
<b>TOTAL DOMESTIC DEBT (TDD)</b>	<b>93,090,307,719</b>
<b>TOTAL EXTERNAL DEBT (TED)</b>	<b>11,128,518,385</b>
<b>TOTAL PUBLIC DEBT (TED+TDD)</b>	<b>104,218,826,104</b>

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

	NGN
Item	2019
<b>1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)</b>	<b>55,132,858,979</b>
<b>1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)</b>	<b>43,046,196,850</b>
1.1.1 Gross statutory allocation	41,233,265,304
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	1,812,931,546
<b>1.2 VAT</b>	<b>12,086,662,129</b>
<b>2. Internally Generated Revenues (IGR) - Adjusted</b>	<b>6,050,292,824</b>
<b>3. Grants (internal and external)</b>	<b>6,119,725,729</b>
<b>4A. Other revenues (4.1 + 4.2 + 4.3)</b>	<b>295,556,931</b>
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	28,795,053
4.3 Miscellaneous	266,761,878
<b>Total Revenues and Grants Calculations</b>	
<b>A) Total Revenues and Grants is (1+2+3+4A)</b>	<b>67,598,434,463</b>

## 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	<p>"The State Government disagree with the figures presented by the Debt Management under DLI 9;</p> <p>Below is our response please.</p> <p>1. Total Amount Received from FAAC = N17,569,000,000.00 as Budget Support Facility</p> <p>Repayment as at 31st December, 2019 = Principal N38,820,602.72, Interest = N796,689,884.68</p> <p>Debt Stock = N17,530,179,397.28</p> <p>2. Salary Bailout = State Government N5,000,000,000.00 &amp; 11 Local Government Councils, N6,000,000,000.00</p> <p>Note: Only State Governments debt obligations are being captured in the Domestic Debt Data Reports, as there no mechanism developed by the DMO for reporting Local Government debt obligations. The report under reference represents only the State Government debt stock, it does not include the LGAs portion.</p> <p>Salary bailout stock as at 31st December, 2019 = N4,455,712,600.48 NOT N9,960,312,672</p> <p>The difference is the debt stock of salary bailout to the 11 Local Government Councils. The Domestic Debt Data Report under reference represents only the State Government obligations and it does not include Local Government loans to Federal Government. As a 3rd tier of</p>	<p>No revised figures were received from either the FMOFB&amp;NP, CBN or from the DMO.</p> <p>The State is advised to pursue this matter with the PCU to ascertain the extent to which LGA debts can be excluded from the total debt of the State, assuming the State is not legally liable for the Debt.</p>

	Government under the constitution, their debt obligation is independent of the State Government.	
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## Appendix A

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

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

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

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

#### **Eligibility Criteria 2019 Part I - The online publication of Approved Budgets for 2020 by 31<sup>st</sup> January 2020**

<b>Information Source(s)</b>	<b>Initial checks</b>	<b>Initial Comments / Observations</b>	<b>Follow up</b>	<b>Final Assessment</b>
<a href="https://mof.gm.gov.ng/Budget">https://mof.gm.gov.ng/Budget</a>	A search was done on Gombe State website	The 2020 Budget was published on the State Official website, a copy was downloaded. There was evidence of 2020 Budget being signed by the Governor.	N/A	<b>EC met</b>

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

**Eligibility Criteria 2019 Part 2 - The online publication of Audited Financial Statements for FY2018 by 30<sup>th</sup> September 2019**

Source(s)	Initial Work Done	Initial Comments / Observation	Follow up	Final Assessment
<a href="https://mof.gm.gov.ng/">https://mof.gm.gov.ng/</a>	A search was done on the Gombe State Website and the Audited Financial Statements were downloaded.	The Audited Financial Statements were easily accessed and downloaded.	N/A	EC met

Tests/checks performed	Results	Areas for improvement
<b>Were the Financial Statements (FS) for 2018 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)</b>	Yes	None
<b>Were the Financial Statement for 2018 available published online on or before 30<sup>th</sup> September 2019?</b>	Yes	None
<b>Are the published financial statements clear and legible?</b>	No	The Financial Statements were not adequately legible
<b>Can the Financial Statements be downloaded?</b>	Yes	None
<b>Do we have evidence of audit by the State Auditor-General?</b>	Yes	None
<b>Are the financial statements complete, including primary statements and disclosure notes?</b>	No <sup>1</sup>	Disclosure notes to the financial statements should be published online.
<b>Are there any indications that balances within the financial statements are not credible</b>	n/a	Please see the 2018 APA Report

<sup>1</sup> The Published Financial Statement were without the Notes to the Accounts.