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

2020 Annual Performance Assessment (APA) Report

YOBE STATE

By:

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

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1. Executive Summary

The report details the outcome of the Annual Performance Assessment (APA) conducted on Yobe State for the 2020 year of the four-year SFTAS Program. In conducting the APA, the verification team assessed how the State performed against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines, and verification protocol.

Table 1 (below) reflects the outcome of the 2020 APA for Yobe State and shows areas where the State was able to achieve results. Yobe State achieved 11 **(Eleven)** DLRs out of 15 DLRs applicable to the 2020 APA out of which 1 (One) DLR was achieved in 2019.

Table 1: Assessment Results

Key	Achieved	Not Achieved	Previously Achieved

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management	Achieved	
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%	Achieved	
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2021 budget.	Achieved	
	DLR 2.2: Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms	Achieved	
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 70 percent of state government finances.		• The State did not have a functional TSA • The State did not have Cash Management Strategy • The State TSA did not cover a minimum of 70% of the Government finances.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	Achieved	This is a 2021 result assessed early.
	DLR 4.2: 2020-2019 annual nominal IGR growth rate meets target: i.e. 2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection		The IGR declined by 19.4%

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		
	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency, and 3) Cover all MDAs receiving funds from the state budget		There is no provision under the Laws requiring membership of representatives of professional bodies and Associations in the Council
	DLR 6.2: (Basic Target) Framework contract for e-Procurement signed by 31 December 2020 AND Publication of contract award information above the threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.

DLR. 6.2 (Stretch Target) Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs

AND

For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available | **(Basic Target Met)** | |
| **DLI 7:** Strengthened public debt management and fiscal | 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. | **2019** | |

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
responsibility framework	DLR 7.2: Quarterly state debt reports for Q2, Q3, and Q4 accepted by the DMO on average two months or less after the end of the quarter in 2020 **AND** Annual State debt sustainability analysis published by end of December 2020		• The Annual State Debt Sustainability Analysis did not include a Medium-Term Budget forecast. • The Annual State Debt Sustainability Analysis did not include a detailed description of the State's debt portfolio and borrowing options. • The Annual State Debt Sustainability Analysis did not include an analysis of the debt and fiscal figures in the preceding year.
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place. Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly accessible database, with verification process in place **AND** at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock of arrears below 5 billion.	**Stretch target Met**	
DLI 9: Improved debt sustainability	Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target: Basic target: < 150%, Stretch target: < 125%.	**Stretch target Met**	

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

1. DLR 3.0: Develop a functional State-level TSA where all Government revenues (IGRs ad FAAC) are credited into before expenditure. Implement an approved cash management strategy that covers the processes through which the State can forecast cash commitments and requirements and provide reliable information on the availability of funds. Establish a cash management system that allows for a central view of cash balances in bank accounts on a single electronic dashboard and should be in line with the approved Cash Management Strategy.

2. DLR 4.2: Improve its IGR collection to achieve significant year-on-year growth in nominal IGR.

3. DLR 7.2: The Annual State Debt Sustainability Analysis includes a Medium-Term Budget forecast; The Annual State Debt Sustainability Analysis includes a detailed description of the State's debt portfolio and borrowing options; The Annual State Debt Sustainability Analysis includes an Analysis of the debt and fiscal figures in the preceding year.

The Office of the Auditor-General for the Federation (OAuGF) as Independent Verification Agent and PricewaterhouseCoopers (PwC) agree on all the results shown in this report.

2. Introduction

2.1 Overview

The Federal Government of Nigeria is implementing a four-year program to support the Nigerian States to strengthen fiscal performance and sustainability: The State Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results ("The Program").

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

All States can participate in the Program in each of the four years and benefit from the PforR funds by meeting set Eligibility Criteria and any or all the indicators of fiscal transparency, accountability, and sustainability.

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and PricewaterhouseCoopers (PwC) was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2020. To ensure a high-quality assessment, the IVA the had some input/support from the Debt Management Office (DMO), to review the legislation and returns in place in this State.

2.2 Scope

This Annual Performance Assessment (APA) Report covers the State's performance in 2020 against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines, and verification protocol. Each State was earlier assessed against the Eligibility Criteria set in the protocol, to determine the state's eligibility for grants under the 2020 APA.

The verification protocol was set early in the preparation for the Program and all States. Implementing agencies and other key stakeholders have been continuously sensitized on the program's requirements and the protocol for 2020. The assessment results are binary (Achieved or Not Achieved), as that is how the Program for Results was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between *(14/02/2022 and 18/02/2022)* with a team of *[6 team members]* persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

The draft conclusions from the work done were reported to the State and this final report takes account of the State's comments on the draft results, as shown in Section 4.The Office of the Auditor-General for the Federation (OAuGF) and PricewaterhouseCoopers (PwC) are grateful to the State for the cooperation enjoyed during the

assessment and hope the recommendations within this Report are found valuable towards improving fiscal transparency, accountability, and sustainability in the management of the public finances and resources of the State.

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	**Financial Year [2020] quarterly budget implementation reports published with Q2, Q3, and Q4 reports published on average within [4 weeks] of quarter end to enable timely budget management**		**Achieved**	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	The Quarterly budget implementation reports were posted online on (budget.pfm.yb.gov.ng) as follows: The weblinks are: Q1: https://budget.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/18526307492020381d510f-5192-478b-bbc4-baf65daf91ef.pdf&viwerid=7107 Q2: https://budget.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documen	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		ts/95206471832020ba84f924-61d5-4df5-9f02-63e0d3301c0d.pdf&viwerid=9130		
		Q3: https://budget.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/63074185292020670d0e5d-8f1f-4a56-88a6-39c671f2735f.pdf&viwerid=15123		
		Q4: https://budget.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/7418529630202178e5f153-3bf8-4a88-8bd6-d7b1c4f32ccd.pdf&viwerid=16145		
		(a) Q1 - (23/4/2020) – (3.3 weeks) 23 days (b) Q2 – (27/07/2020) - (3.9 weeks) 27 days		
		(c) Q3 – (27/10/2020) – (3.9 weeks) 27days		
		(d) Q4 – (28/01/2021) – (4.0 weeks) 28 days		
		Average 4 weeks for the online publication was computed based on the last 3 quarters, as below: $\frac{Q2+Q3+Q4}{3}$ $= \frac{27+27+28}{3}$ = 27 days (3.9 weeks)		
		We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2020, obtained and retained evidence of the timestamp of the publications.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	From our review of the Quarterly Budget Implementation reports downloaded from the State's website (see weblinks above) we observed the following: a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures. b) The first quarter and third quarter Budget Implementation Reports included the actual expenditures for the quarter attributed to each. However, the second quarter and fourth quarter Budget Implementation Reports did not include the actual expenditures for the quarter attributed to each which the IVA considered to be an immaterial variance from the VP provisions because the Stakeholders can use the report to achieve the expected decision. c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations. d) The State has an amended/revised budget. e) The second quarter and third quarter (Revenue budget) Budget Implementation Reports showed both the approved	Ssatisfactory	.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		original budget AND the approved amended/revised budget. However, the third quarter (expenditure budget) and fourth quarter did not show the approved original budget which the IVA considered to be an immaterial variance from the VP provisions because the Stakeholders can use the report to achieve the expected decision. f) The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the first and third quarters, and the balances against each of the revenue and expenditure appropriations. However, the actual expenditures for the second quarter and fourth quarter were not included in the Budget implementation Reports. Also, the third quarter (expenditure budget) and fourth quarter budget implementation reports did not show the approved original budget.		
3	Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the	Upon review of the State's Budget Performance reports, it did not state the actual expenditures for the second quarter and fourth quarter attributed to each MDA and each expenditure classification which the IVA considered to be an immaterial	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	cumulative expenditures for the year to date?	variance from the VP provisions because the Stakeholders can use the report to achieve the expected decision. The Budget Implementation Reports stated the cumulative expenditures for the 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?	Upon review of the State's Budget Performance reports, it stated the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which included debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory	
DLR 1.2	FY [2020] deviation from total amended budget expenditure is less than 15%		Achieved	
1	Has the State computed the difference between the Amended approved total budgeted expenditure for the fiscal/calendar year and the actual total expenditure in the fiscal/calendar year, divided by the Amended	The State computed the budget deviation for 2020 to be 4.1% The IVA computed the budget deviation for this APA year. See the computation below:	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
approved total budgeted expenditure and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 15%	(table and calculation below)		

	Total Amended Budget	Actual
Capital Exp (pg 2& 50)	33,568,608,348	31,949,206,542
Rec. Exp (pg1& 50)	52,480,502,757	50,597,579,698
Total	86,049,111,105	82,546,786,240

$$\frac{\text{₦}86,049,111,105 - \text{₦}82,546,786,240}{\text{₦}86,049,111,105} \times 100$$

The budget performance deviation is 4.1%

The above calculation is based on the revised budget for the 2020 and the associated and reported expenditure as disclosed in page 1 and 2 of the State Final Budget (Approved Budget and Actual Expenditure or Appropriation Law)

The Amended annual budget figures is based signed amended budget/appropriation in the AFS less the Supplementary Figures. Pg 50 of the AFS.

Actual Recurrent Expenditure	51,256,579,698.00
Less Provision in the Supplementary	659,000,000.00

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		50,597,579,698.00		
		Actual Capital Exp 37,165,206,542.00		
		Less Provision in the supplementary 5,216,000,000.00		
		31,949,206,542.00		
		Source: 2020 Audited Financial Statement Pg 50 and Pg 1&2 Approved Budget Appropriation or Appropriation Law The source of the values used in the calculations is the same as the hard copies and online AFS.		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	**Citizens' inputs from formal public consultations are published online, along with the proposed FY [2021] budget**		**Achieved**	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local	a) The LGAs in attendance were Damaturu, Potiskum, Nangere, Fika, Fune, Bade, Karasuwa, Nguru, Jakusko, Machina, Yusufzai, Gujza etc.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	government authorities and State-based CSOs?	b) The CSOs representatives were Network for Yobe State Civil Society Organizations (NYSCO), Partnership to Engage Reform and Learn – Engage Citizen Pillar (PERL-ECP), and Women and Youth Empowerment Initiative (WOYEIN). c) Sources of information used to conclude included minutes of the meeting, pictures of attendees, attendance list, etc. d) Two town-hall consultations were held on 23rd and 28th September 2020 at the Headquarters of the three Senatorial Districts of the State. e) IVA contacted a sample of 10 attendees via phone calls to confirm their attendance. f) The date of the draft budget was 12th October 2020. g) The dates of the consultations are 23rd and 28th September 2020, and the date of the draft budget is 12th October 2020. The consultation was done first. h) The publication of the proposed budget was done before the stipulated deadline of 31 January 2021. The date of publication was confirmed through timestamp and backend screenshot from the IT service provider. i) The web link for the publication of the proposed budget is https://budget.pfm.yb.gov.ng/pdf_viwer		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/52963074182022ef87dd5b-f014-4b92-8437-9e015dbc5f5b.pdf&viwerid=31238		
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2021 to enable citizens to find the inputs easily?	a) The CSOs representatives who co-signed the Minutes were Mr. Muhammad Baba Kucici, Mr. Musa Mohammed, and Alhaji Modu Muaru. b) The title of the Minutes was ''Report on Stakeholders' Engagement and Citizens Dialogue for 2021 Budget Held on Wednesday 23rd and Monday 28th September 2020 at the Headquarters of the Three Senatorial Districts of the State". c) The co-signatories represented the Spotlight for Transparency & Accountability, Hamada-CDF, and Advocacy Partners on Budget. d) The weblink of the publication is https://budget.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/40751862392021ee5fdc42-6009-41d1-b058-49fbde504978.pdf&viwerid=16139	Satisfactory	
DLR 2.2	**Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September**		**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	2020 with functional online feedback mechanisms			
1.	Did the state conduct dissemination events to explain amendments to the FY2020 State budget and was adequate evidence of the events published online and by the due date?	a) IVA reviewed all the documents i.e minutes of the meeting, attendance list, pictures of attendees, reflecting the meeting of public consultations on the Annual Budget, and confirmed that the minutes were credible. b) We downloaded the Amended Budget and obtained the evidence of the dissemination events. c) We confirmed that the dissemination event was done virtually at the Yobe Broadcasting Corporation (YBC) on 9th July 2020. d) The evidence of the dissemination event was published online before 30th September 2020. e) All required documents (minutes of the meeting, a virtual pictorial of attendees, list of attendees, etc) were published online and copies have been retained on file. f) IVA confirmed that the evidence of the dissemination event was published in the same location as the Amended FY2020 budget which is the Ministry of Finance website. g) IVA confirmed that the date of publication of the evidence of the dissemination event was August 5th, 2020. Backend screenshot showing timestamp as evidence to back it up was obtained.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		h) The web link of publication is https://budget.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/30751826942020571cc3aa-48b6-4073-a1fc-dee5cc74c56e.pdf&viwerid=1012		
2	Has the State published online, on the State website(s) a *Citizens Budget based on the Amended Budget (2020)* not later than 30 September 2020?	a) The Citizens budget based on the Amended Budget (2020) was published before the due date via https://budget.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/07418529632020f28f9418-c2da-497e-8bb5-401a328cc6a9.pdf&viwerid=10116 accessed on (04/08/2020). b) IVA compared the Amended Budget 2020 with the Citizens Budget and there were no discrepancies found. c) The Citizen's budget was prepared in the format suggested to the States in the Citizen Budget User Manual. i. Simple explanation of the annual amended budget/citizen's budget: Pages 2-3 ii. The sources of revenues: Page 7 iii. Sources of domestic and foreign grants, domestic loans, and other financing sources: Page 7 iii. Total expenditure by economic classifications: Page 8	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		iv. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap: Page 4		
		v. Disclosure of Budget deficit (if any) and how it will be financed: nil		
		vi. Sectoral Allocation (by MDAs): Page 10.		
		vii. Top Projects to be financed (at least 5): Pages 11		
		d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included.		
		e) The suggested format was used.		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	a) The Citizens Budget included an explanation of the key changes between the Original FY20 Budget and the Amended FY20 Budget. b) The Citizens Budget included Data on reallocations and adjusted spending priorities. We confirmed that the amended FY20 state budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.	Satisfactory	
4	Does the State website have functional feedback and response online mechanisms?	a) The State has established functional feedback and response online mechanisms on its website. b) The type of feedback mechanism established on the State website is a	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

	Message text box; which comprises email address, name, and message.
	
	c) The State's feedback mechanism provides at a minimum:
	
	   i. Acknowledgement of receipt of comments/feedbacks from citizens: IVA confirmed that a message pops up after using the textbox and it states: "Complains Received. We appreciate you taking the time to get in touch, We will get back to you shortly. Back to home".
	
	   ii. State's responses to comments/feedbacks: A screenshot of a mail showing receipt of the feedback message was obtained from the State.
	
	   iii. Display of timeframe and the State's government contact details: The State's government contact details is https://finance.pfm.yb.gov.ng/Contract.aspxre
	
	d) The IVA conducted a test to ascertain the functionality of the feedback mechanism completing and submitting the message text box. The details filled included full names, email addresses, locations, subjects, and messages.
	
	e) A demonstration was done by the State Ministry of Finance. The IVA requested further evidence that demonstrates the State's response to feedback, however, the State only provided evidence that feedback		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		messages were received from citizens. Also, the State mentioned they did not configure their online feedback mechanism automatically via email. Hence, they only receive complaints, and the evidence provided to back this was hard copies obtained.		
		f) The State's feedback mechanism is functional.		
		g) The web link for the State feedback page is https://finance.pfm.yb.gov.ng/Contract.aspxre		
DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	**Improved cash management and reduced revenue leakages through the implementation of State TSA**		**Not Achieved**	
1	Has the State established a functional State-level TSA?	a. The State has not established a functional state-level TSA. b. The State operates multiple accounts. • IGR Main Account: Access Bank 0765651929 • FAAC Account: UBA Bank 1022203758 • VAT Account: Access Bank 0025885798	Unsatisfactory	The State should establish a functional TSA

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.	Yobe State has a Cash Management Strategy a) The document name is 'Yobe State Public Finance Management Law and Other Matters Related Thereto 2019' b) It was produced on January 15th,2020, and was assented to by the State Governor. c) The document includes the timeline for the preparation of cash forecasts every month. This can be found on pages 55-58 (sec 76-79). d) The document does not contain a cash-sweeping strategy. e) There was no evidence of the implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds obtained due to the unavailability of cash commitment provided by the State to verify implementations.	Unsatisfactory	The State should implement an approved cash management strategy that covers the processes through which the State can forecast cash commitments and 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	The State does not have a central computer application where the State can view cash balances in the TSA on a single electronic dashboard.	Unsatisfactory	The State should establish a cash management system that allows for a central view of cash balances in bank accounts on a single electronic dashboard and should be in line with the

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	on the approved cash management strategy)?			approved Cash Management Strategy.
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	a) From IVA interactions and a series of interviews conducted with the selected MDAs, we discovered that the MDAs collected fees or levies manually(cash) and the monies paid in cash were paid directly into the State various revenue accounts from which balances were later swept into a centralized IGR account. IVA could not obtain any information from fees payers as the MDAs did not maintain their records and details during the year under review. b) Yobe State Govt. TSA Account. UBA 1022203758. c) All government monies go through this account. d) All government monies do not sit in the other revenue collecting banks. e) The TSA bank Statement was obtained by IVA	Satisfactory	
5	Does the TSA cover a minimum of 70% of the State Government's finances?	The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2020. See the computation below:	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<table><tr><td></td><td>Total Inflows</td><td>Total Outflows</td></tr><tr><td>TSA Bank Statement</td><td>73,226,767,698.83</td><td>71,712,649,452.50</td></tr><tr><td>Government Finances*</td><td>101,729,826,063</td><td>88,421,886,240</td></tr><tr><td>Percentage</td><td>72%</td><td>81%</td></tr></table> The average is percentage computation is: $$\frac{72\% + 81\%}{2}$$ **= 77%** The TSA covered 77 % of the State's finances. *Sources: 2020 Audited Financial Statement (Cashflow Statement) Pg.48 (page 2 of 46) and the TSA Statement from (UBA) for (01/01/2020 to 31/12/2020).		
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	**State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue**		**Achieved** This is 2021 Result	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	collection and accounting. Code must be approved by the state legislature and published		assessed early	
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	a) A law to provide for the codification of all Yobe State Revenue Laws, to Restructure the Internal Revenue Service, and Establish Revenue Single Account for Effective Revenue Generation and Related Matters. It assented to Law on 23rd December 2021. b) The Revenue code and rates are not separate from the Revenue Law. c) The State's revenue code contains a single harmonized revenue law. d) The revenue code was approved on 23rd December 2021 e) The web link is https://bir.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/TaxLaw630613330.1551566032_2021.pdf&viwerid=27194 f) The code included all State IGR sources and the LGs IGR sources (falling under the State). g) The consolidated revenue code included the rate chargeable for each IGR source.	Satisfactory	

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?	The revenue code stipulates the SBIR/SIRS is the sole agency responsible for State revenue collection and accounting in the following sections: section 10 (1) (c) states that "the Service shall assess, collect, account and enforce payment of taxes as may be due to the State." Section 10 (1) (d) states that "the Service shall be the sole body to collect, recover and pay to the designated account, any tax under any provision of this law or any other enactment or law." Section 10 (3) states that "the Service shall be the sole body responsible for control and supervision of all collections of the state revenue from Legislature, Judiciary and including Ministries, Departments, and Agencies." Section 36 (1) states that "the Service shall have the sole power to administer all the law listed in the first schedule to this law and any other enactment or law on taxation in respect of which the State House of Assembly may confer power on the Service.	Satisfactory	
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	a) The collection of revenues was made into accounts nominated by the SBIR. Letter to the bank requesting for the account to be opened was obtained. b) Section 10 (1)(s) states that the SBIR/SIRS has full oversight of accounts and is responsible for reporting and accounting for the revenues.	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.	a) The date the revenue code was approved by the State Legislature is 23rd December 2021 b) The date it was assented to by the Governor is 23rd December 2021	Satisfactory	
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	a) The IVA was able to download and keep in a file, a copy of the law. b) The document was accessed and downloaded on 14/02/2022 at 4:11 pm. c) The web link of the publication is: https://bir.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/TaxLaw630613330.1551566032_2021.pdf&viwerid=27194	Satisfactory	
DLR 4.2	**2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection**		**Not Achieved**	
1	Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets? **Basic Target:** N/A	a. The Cash basis of accounting was used for revenue reporting in 2019 and 2020.	Unsatisfactory	The State should ensure significant year-on-year improvements in its IGR collection.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Stretch Target: equal to or higher than the 2019 nominal IGR collection	b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below:		

b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below:

REPORTING TEMPLATE: OPTION B	NGN		% GROWTH
Item	2019	2020	
1. Reported IGR in AFS (Before Adjustments)	8,499,227,401	6,810,915,628	-19.4%
2. INVALID items to be deducted IF reported as part of IGR	-	-	
Paris club refund			
Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)	306,663,753	207,621,965	
Sale of govt property, privatization proceeds			
Savings			

Disbursement Linked Indicators (DLIs) and Tests	Findings			Conclusion	Recommendations
	Investment Income (e.g. dividends)				
	Interest Earned				
	Miscellaneous				
	3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)				
	Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	8,192, 563,64 8	6,603,2 93,663	- 19. 4%		

$$\frac{₦6,603,293,663 - ₦8,192,563,648}{₦8,192,563,648} \times 100$$

$$= -19.4\%$$

There is a decline in growth by 19.4%.

Source: 2020 Audited Financial Statement Pg. 51

| DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud | | | | | |

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 5.1	**Biometric capture of at least [90] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll**		**Achieved**	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of the current civil servants and pensioners on the State payroll?	a) The State commenced the Biometric data capture of the civil servant and pensioners in August 2018, and it is still ongoing. b) It was outsourced to a consultant named Dada Books Nig. Ltd. c) The total number of civil servants is 27,180 d) The total number of pensioners is 5,489 e) The total number of staff on the State Nominal roll is 27,180 and the total number of staff on the State Payroll is 27,085. f) The total biometrics data that has been captured is 32,669. g) The IVA obtained: i) Screenshots of the data screening slip. ii) Screenshots of Nominal Roll and Payroll database. iii) A one-page report on the Implementation of biometrics. The computation of the Biometrics Completion $\underline{32,669}$ x 100	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		27180+5489 =100% The State had captured biometric data of 100% of the State's civil servants and pensioners on its payroll.		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	a) The State commenced the linkage of biometric data on 14 August 2018, and it is ongoing. b) The number of staff/pensioner's Biometrics data linked to the payroll is 32,090. c) There were no ghost workers detected during the biometric validations. d) There were no ghost workers detected. Hence, no money was saved. e) In-year changes to the civil servant and pensioner payrolls (as a result of starters, leavers, deaths, etc.) are captured by the biometric exercise. f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths. The IVA obtained a one-page report stating the procedures to support the conclusion. g) There were changes to the civil servant and pensioner payrolls during the fiscal year.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		h) These changes were captured by the biometric exercise. i) There is a monthly update of payroll where all variation orders received from MDAs in respect of exit from service are implemented.		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a) There were no Ghost workers detected during the linkage. b) There were no ghost workers identified. Therefore, no records were kept. c) There were no ghost workers identified. Hence, there was no date of removal of ghost workers. d) There were no ghost workers identified. Therefore, there was no basis to remove any ghost workers from the payroll. e) The source(s) of this information is from the (1) one-page report on the Implementation of Biometrics Register.	Satisfactory	
5.2	**Link BVN data to at least [90] percent of current civil servants and pensioners on the payroll and payroll fraud addressed**		**Achieved**	
1	Has the State linked the Bank Verification Number data to 90% of its current Civil Servants and pensioners on the State payroll?	a) The State commenced the linkage of BVN data of the civil servant and pensioners on 14 August 2018 b) It was outsourced to Dada Books Nig. Ltd. c) The total number of civil servants is 27180	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		d) The total number of Pensioners is 5489.		
		e) The total number of staff on the State Nominal roll is 27,180.		
		f) A total number of 32,669 BVN data has been linked to the payroll.		
		g) IVA obtained the following documents: i)One-page report on Biometrics/BVN Register implementation. ii) The Screenshots of the payroll database. $$\frac{32669}{27180+5489} \times 100 = 100\%$$ The State has linked 100 % of the State's civil servants and pensioners' BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	a) Staff with BVN data totalled 27,180 while there is no staff without BVN data. b) There was no payroll fraud identified. Therefore, no figure was stated. c) The IVA obtained a one-page report stating the Biometrics/BVN Register implementation. d) The Screenshots of the payroll database.	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	**Existence of a public procurement legal**		**Not Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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		This is 2021 result assessed early	
1	Does the State have a public procurement legal framework that must be approved by the State legislature to have a legal basis, either as a law or a resolution?	a) Yobe State has a public procurement legal framework. b) The Yobe State Bureau of Public Procurement (Amended) Law 2019 & 2021 has been passed by the State House of Assembly. c) The dates of passage and assent are 31st December 2019 and 23rd December 2021 respectively. d) The Yobe State Bureau of Public Procurement (Amended) Law 2019 & 2021 has been passed e) The authorizing body/office is the Bureau for Public Procurement. f) The dates of approval of the Laws are 31st December 2019 and 23rd December 2021.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency, and 3) cover all MDAs receiving funds from the State budget.	The Yobe State Public Procurement Law is substantially structured in line with the UNCITRAL Model and meets the requirements as shown below: 1. **E-Procurement -** We noted the following during our review of legislation. • The Procurement Council is to approve changes in the procurement Process to adapt to improvements in modern technology. S. 64 (5&6) • The Bureau is to establish a single internet portal that shall serve as a primary and definitive source of all information on government procurement. S. 64 (5) • The Bureau is to introduce, develop, update and maintain related databases and technology. S. 64 (6) The law, therefore, complies with the requirements for e-procurement. 2. **Independence -** The results of our assessment of the legislation for independence are in the table below: 	Required Provisions*	Result
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Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations
		The Functions and Powers of the Agency	Compliant; see sections 5-8		
		The composition of the board	Compliant; See sections 4(2)		
		Membership of the Board/Council includes representatives from professional bodies and associations.	Not compliant; See Section 4(2)(j) of the State Amended Law No 2 dated 31st December, 2019		
		The grounds for removal of the Chief Executive of the agency.	Compliant; see section 9 (4)		
		Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Compliant; See Section 55(8)		

*Provided by the World Bank

The IVA realized non-inclusion of Yobe State Bureau on Public Procurement (Amended No 2) dated 31st December, 2019 which consists the composition of Board Members of the Agency that made Expert to assess the State's Law not to have met the required elements. The amendment to Section "4" in the law tagged "A LAW TO AMEND BUREAU FOR PUBLIC PROCUREMENT AS THE REGULATORY AUTHORITY RESPONSIBLE FOR

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		THE MONITORING AND OVERSIGHT OF PUBLIC PROCUREMENT (AMENDMENT NO. 2) LAW 2019 AND OTHER MATTERS RELATED THERETO" is obtained and retained.		
		Also, the amendment refers to Civil Society only. It does not include professional bodies and associations as required for this DLR.		
		The law is substantial structured in compliance with the UNCITRAL Model Law, but it fails to meet the DLR 6 requirement for membership of representatives of professional bodies in the Council		
		3. **Establishment of an independent procurement regulatory agency** -		
		a) The Law provides for the establishment of an independent procurement regulatory agency, Section 3 states "There is hereby established a body to be known as the Yobe State Bureau on Public Procurement (in this Law referred to as 'The Bureau'".		
		b) The Law covers all MDAs receiving funds from the State, Section 17 (1a,b,c) "The provision applies to all procurement of goods, works, and services carried out by a) the Government of Yobe State and all procurement entities. b) all entities outside subsection (1)(a) of this section that derives funds appropriated or proposed to be		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		appropriated for any type of procurement described in this Law from public funds. c) public procurement by Local Government in the State.		
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency, or any other type of entity set up for the statutory purpose?	a) The State has instituted an independent Public Procurement regulatory function. b) It is being performed by the Bureau for Public Procurement. c) The Bureau for Public Procurement is the agency responsible for prescribing regulations and procedures for public procurement by the legal framework. d) An interview was conducted with the Chief Executive (Director General) and with random staff of the Bureau. They stated that the Bureau is efficient and active. 129 contracts as shown in the published list of contracts awarded for the year 2020. A physical inspection of the agency was conducted, the Bureau is independent, functional, and autonomous. Pictures of the Bureau have been taken and saved. 5 cases were randomly selected to perform the walkthrough. e) A total of 129 cases were handled by the agency in the year under assessment. 5 cases were randomly selected while performing the walkthrough.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		A walkthrough was done on 5 contracts; the team went through the contract files to confirm if due procedures were carried out before the contract was awarded e.g. sighting the certificate of no objection, bill evaluation form, job certificate of completion, etc and we confirmed the Bureau's data were published in line with the Open Contracting Data Standards (OCDS) format.		
DLR 6.2	**Basic Target: Framework contract for e-Procurement signed by 31 December 2020 AND Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.** **Stretch Target: Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs** **AND**		**Achieved** (Basic Target Met)	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.			
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2020) that are above the threshold (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?	a) The schedule of all contracts awarded during the year under assessment above the threshold (which is N250m) has been obtained. b) The data published is in line with the Open Contracting Data Standards (OCDS). c) The date of publication is 25/12/2020. d) The source of publication is https://bpp.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/397418526020220c3aab8b-6b85-4429-a4e1-aa3a1f81f5ee.pdf&viwerid=34235 We obtained and went through the schedule of all contracts awarded during the year and observed that the State published a schedule of contracts above the threshold separately from the schedule of contracts awarded during the year 2020. However, contracts published above threshold are included in the	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		schedule of contracts published for the year		
		e) The contract award information published included:		
		(i) Project name,		
		(ii) awarding institution (indicated as "Address")		
		(iii) award date		
		(iv) name of contractor, and		
		(v) contract amount		
		f) None of the items from above was not published		
		The web link is https://bpp.pfm.yb.gov.ng/reports.aspx?id=1024		
		The contract award information published on the State's official website is accessible to the public.		
2 New	Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020?	a) During the year under assessment, specifically 15th June 2020, Kaduna State Government signed the SaaS e-procurement Framework Contract on behalf of a number of States, including Yobe State. b) No copy of the SaaS e-Procurement Framework Contract has been obtained, although the call-off agreement was obtained and retained on the drive.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		c) The e-procurement framework contract was signed by Kaduna State Government on 15th June 2020 on behalf of Yobe States		
3 New	Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the 2020 results DLI is the implementation of e-Publishing/Notification module for contract notice and contract award?	a) During the year under assessment 2020 APA, the e-procurement portal was not established in at least (3) MDAs. b) No walkthrough was done for each of the MDAs as no transaction was handled in the year under assessment. c) IVA could not confirm whether the State has implemented the E-Publishing/Notification module for contract notice and contract award because no transaction was handled in the year under assessment.	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs and at least 3 MDAs in the first instance (including Education, Health, and Public Works).
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	**State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.**		**Previously Achieved** **in 2019 APA**	
DLR 7.2	**Quarterly state debt reports for Q2, Q3, and Q4 2020 accepted by the DMO on average two months or less**		**Not Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	after the end of the quarter in 2020 **AND** **Annual state debt sustainability analysis published by end of December 2020**			
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2020?	a) We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows: • Q2 submitted on (18/08/2020) 49 days, • Q3 submitted on (17/11/2020) 48 days, • Q4 submitted on (08/02/2021) 39 days. 49+48+39 ──────── 3 Average =45.33 days (6.47 weeks) The SDDRs were submitted within an average of two months (An average of 45.33 days).	Satisfactory	
2	**Note: Have you reviewed for accuracy and completeness from the DMO:**	a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained.	N/A	The state should submit accurate quarterly state domestic debt reports to the DMO

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
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.	b) We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Yobe State Debt Domestic Report along with all underlying data and both showed different amounts of ₦54,866,197,722.68 for SDDR and ₦60,758,834,546 for SDEDR. The report was supported with the DMO's templates and guidelines. IVA reviewed the DMO report and the DMO report confirmed the <u>accuracy</u> and <u>completeness</u> of the State Domestic Debt Report. A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data. c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State have been compared with the State Audited Financial Statement.		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	d) The debt stock figures reported in the SDDR have been compared with that of the State's Audited Financial Statement.		
	e) There were no discrepancies noted during the comparison. 1. SDDR Figure: ₦54,866,197,722.68 2. AFS Figure: ₦54,866,197,722.67 3. Difference (If any): Nil		
	f) There were no discrepancies noted during the comparison.		
	g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.		
	h) The debt stock figures reported in the SDEDR, have been compared with those of the SDDR submissions by each state.		

	i) There are inconsistencies.
	
	  i. SDEDR (DMO) Figure: ₦60,758,834,546
	
	  ii. SDDR (State) Figure: ₦54,866,197,722.68
	
	  iii. Difference (If any): ₦5,892,636,823.32		

	j) An APA issue report has been issued and responded to by the State, insisting that the figures had been reconciled and		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		forwarded to the DMO for correction, hence the figures are correct.		
3 New	Has the State published the State Debt Sustainability Analysis Reports (SDSAR) online by 31 December 2020?	a) The State Debt Sustainability Analysis Report (SDSAR) was published on the State's official website. b) The date of publication was 31st December 2020. c) The SDSAR was published by 31 December 2020. Timestamps and a screenshot of the IT back end have been obtained and saved in the assessment file. d) The web link is https://finance.pfm.yb.gov.ng/reports.aspx?id=14043	Satisfactory	
4 New	Does the SDSAR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options, and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	Upon review of the State Debt Sustainability Analysis Report (SDSAR), we noted it did not include the following: 1) medium-term budget forecasts; 2) a detailed and adequate description of the debt portfolio and borrowing options, and 3) an adequate analysis of the debt and fiscal figures in the preceding calendar year. a) A review and comparison between the information contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State Website was done. b) No differences were identified.	Unsatisfactory	The State should ensure that the SDSAR includes the following: 1) medium-term budget forecasts; 2) a detailed description of the debt portfolio and borrowing options, and 3) an adequate analysis of the debt and fiscal figures in the preceding calendar year.
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 8.0	**Basic Target: Domestic arrears as of end 2019 and end 2020 are reported in an online publicly-accessible database, with a verification process in place.** **Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with a verification process in place** **AND** **at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock below 5 billion.**		**Achieved** Stretch Target met	
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The State has established an Arrears Clearance Framework (ACF). b) We obtained a copy of the ACF from the State. c) The establishment of the ACF occurred by 31 December 2020	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		d) The ACF obtained was established on 19th December 2020, about 12 days between the date it was established and the 31st December 2020 year-end, which may not be adequate to allow time for the implementation of the ACF.		
		e) IVA noted that there had been an earlier version of the ACF established in December 2018 which had been modified in 2020.		
		f) IVA determined the implementation of by observing that the clearance of arrears made in the course of the year corresponded with what had been stated in the State's 2020 ACF.		
		g) The comparison was done with the 2020 ACF, however the 2020 ACF was a modification of the one from the previous year.		
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled	Satisfactory	
		b) Page 6 of the ACF contains planned actions to clear arrears, while page 10 contains prioritization criteria for arrears to be settled in the implementation of the ACF.		
		c) A schedule of arrears of pensioners cleared in the year was obtained. The		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		arrears cleared were in line with the prioritization principles contained in the ACF. Also, a copy of the report of the Adhoc Committee set up to reconcile and verify contract liabilities against the state Government was obtained and reviewed.		
3	Has the ACF been published on a State official website?	a) We confirmed that the ACF has been published on a State official website. b) We downloaded a copy for validation. c) The web link and date of publication are: https://finance.pfm.yb.gov.ng/pdf_viwer.aspx?id=https://cpanel.pfm.yb.gov.ng/documents/185296307420223edac9cb-ac7e-40ed-bc0d-216add6997ef.pdf&viwerid=30226 and 19th December 2020. A timestamp was taken, and a screenshot from the IT back end was also obtained and saved in an assessment file.	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The clearance of domestic expenditure arrears is consistent with the ACF. A schedule of arrears cleared in the year was obtained. The arrears cleared were in line with the prioritization principles contained in the ACF. The list of pensioners paid, and the bank statement was obtained from the State Accountant General to verify this.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

5.	Has the State established an Internal Domestic Arrears Database?	a) The State has established an internal domestic arrears database.
		
		b) The Internal Domestic Arrears Database includes the following:
		
		  a. The database shows the total domestic arrears stock at the end of each year.
		
		  b. The aggregate amount of pension and gratuity arrears.
		
		  c. The aggregate amount of salary arrears and other staff claims.
		
		  d. The aggregate amount of other types of domestic arrears
		
		c) A verification process is in place for the arrears in the database
		
		d) We confirmed through the evidence provided by the State that the State has conducted verification of arrears balances. The report of the Committee set up for this purpose was obtained and retained in the assessment file.
		
		e) We conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, list of pensioners cleared in the year, etc
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		f) The state submitted to the IVA the Annual State Arrears Recording, Verification, and Clearance Report (SARVCR).		
6	Has the State published online elements of the internal domestic arrears database for the FY **2019** and FY **2020** reported on a State official website, which constitutes the online publicly accessible arrears database?	a) The State has published online the required elements of the Internal Domestic Arrears Database as at end of 2019 and 2020 b) We compared the aggregate and individual information available on the online publicly accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly accessible arrears database. c) The website supporting the online publicly accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online and attaching supportive evidence of the claim. If the State Ministry of Finance confirms the validity of this claim, it shall be added to the internal domestic arrears database and included as relevant in the online publicly accessible arrears database.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	d) The online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State.		
	e) The form was successfully submitted. A screenshot of the result was taken and retained in the assessment file.		
	f) We obtained records from the state on some omissions reported by pensioners and other citizens, none was made by Contractors.		
	g) No omission of Contractor arrears was identified, nor included in the internal domestic arrears database.		
	h) The source of publication is https://finance.pfm.yb.gov.ng/		
	Further review by the IVA revealed that the above mentioned weblinks gave the message "404 - File or directory not found"		
	Hence, the State is required to provide evidence of publication of online elements of the internal domestic arrears database for the FY 2019 and FY 2020 to the State website.		
	The State did not respond to the draft reports. However, the IVA checked the weblink (https://finance.pfm.yb.gov.ng/) on 13/06/2022 and observed the link is functional and accessible. The website contained the total arrears (₦ 2,631,671,432.70), Aggregate Gratuity/Death Benefits Arrears (₦		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		2,628,876,550.70) and Aggregate Contract Arrears (₦ 2,294,882.00). The screenshot of evident functionality of the weblink was obtained have been retained in the file.		
7.	Does the online publication include? 1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.	The online publication includes the aggregate amount for three of the four types of arrears. (Other arrears is missing) The outstanding Contractors arrears is less than ₦20m, no Contractor is owed ₦20m and above.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings					Conclusion	Recommendations
8.	Has the State met the following: (i) Percentage decline in the verified stock of domestic arrears at end 2020 compared to end 2019 meets target and is consistent with the state's arrears clearance framework. **-Stretch target:** At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion. *The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.*							Satisfactory	

Aggregate Amount of:	2020	2019	% diff.
Contractors Arrears	2,794,88 2	161, 238, 572. 46	98%
Pension and Gratuity arrears	2,696,99 8,903.62	2,13 0,24 1,70 4.59	-27%
Salary arrears and Staff claims			
Judgment Debt			
Other types of domestic expenditu re arrears			
Total Domestic Arrears	2,699,79 3,785.62	2,29 1,48 0,27 7.05	-18%

a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and confirmed it was the

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		same as the balances stated within the SDDR and the AFS for 2020		
		$\frac{₦2,291,480,277.05 - ₦2,699,793,785.62}{₦2,291,480,277.05} \times 100$ = -18%		
		The percentage decline is 18%		
		The stretch target was achieved due to the total arrears being less than N5bn.		
		Source: 2020 Audited Financial Statements Pg 92		
DLI 9: Improved Debt Sustainability				
DLR 9.0	**Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target:** **-Basic target: < [150%]** **-Stretch target: < [125%]**		**Achieved** Stretch target met	
1	Has the State met: (i) the ratio of total debt stock at end-of-year (31st December 2020) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2020)?	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison. **Total Public Debt**	Satisfactory	

Total Public Debt

	Financial Statements	DMO/SDEDR Figures
Total Domestic Debts	54,866,197,722.67	60,758,834,547.00

Disbursement Linked Indicators (DLIs) and Tests	Findings			Conclusion	Recommendations
-Basic target:< [150%] **-Stretch target:** < [125%]	Total External Debts	10,090,43,369.44	10,116,997,168.00		
	Total Public Debts	64,956,641,092.11	70,875,831,715.00		

Total annual revenue

2020 Adjusted IGR (see DLI 4.2)	6,603,293,664.00
Gross FAAC Allocation	50,638,491,825.00
Grants	9,997,939,608.00
Other Revenues	6,500,000,000.00
Total Revenue	73,739,725,097.00

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

We have computed the total debts stock / Revenue percentage for the 2020 year, as follows:

$$\frac{\text{Total Public Debts (DMO)*}}{\text{Total Revenue}} \times 100$$

$$\frac{₦70,875,831,715}{₦73,739,725,097} \times 100$$

$$= 96\%$$

Sources:

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		i. For Total Revenue 2020 Audited Financial Statement, Page 46		
		ii. For Total Public Debt from DMO* as at December 31, 2020		
		iii. NBS/OAGF (FAAC)		
		*Table 3(i) below holds a breakdown of the Total Debt.		
		b. The debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) are not the same as the debt stock stated in the audited financial statements.		
		c. There is a difference between States debt figures in the AFS and the DMO adjusted figures and this is due to non-posting of the adjustment arising from reconciliation efforts.		
		d. The difference has been communicated to the State for an explanation via APA ISSUE.		
		e. The difference has been communicated to the State for an explanation, and the difference has been calculated in value and percentage terms.		
		f. The SDEDR was not amended and resubmitted to the IVA.		

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

YOBE STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,340,884,246
BAIL OUT (SALARIES) (SOURCE CBN)	-
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,138,290,582
STATE BONDS	-
COMMERCIAL BANK LOANS	9,641,663,617.00
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOANS (CBN FACILITIES)	15,957,202,316.00
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN	1,981,000,000.00
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	2,794,882.00
PENSION AND GRATUITY ARREARS	2,696,998,904.00
SALARY ARREARS AND OTHER CLAIMS	-
OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	**60,758,834,547.00**
TOTAL EXTERNAL DEBT (TED)	10,116,997,168
TOTAL PUBLIC DEBT (TED+TDD)	**70,875,831,715.00**

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

TEMPLATE: OPTION A	NGN
Item	2020
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	50,638,491,825
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	36,693,042,051
1.1.1 Gross statutory allocation	32,570,988,343
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	4,122,053,708
1.2 VAT	13,945,449,774
2. Internally Generated Revenues (IGR) - Adjusted	6,603,293,663
3. Grants (internal and external)	9,997,939,608
4A. Other revenues (4.1 + 4.2 + 4.3)	6,500,000,000
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	
4.3 Miscellaneous	6,500,000,00
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	73,739,725,096

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	NONE	
2		
3		
4		