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

2018 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 JK Consulting Co. Ltd

March 2020

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1.   Executive Summary

This Report details the outcome of the Annual Performance Assessment (APA) conducted on Yobe State for the 2018 year of the four-year SFTAS Program. In conducting the APA, the verification Team assessed how the State performed against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines and verification protocol.
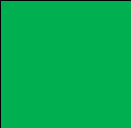
Table 1 (below) reflects the outcome of the 2018 APA for Yobe State and show areas where the State was able to achieve results. In total, Yobe State achieved **eight (8)** DLRs out of 14 DLRs.

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

1. DLR 2.1: Minutes of the public consultations are jointly prepared and signed with the CSO representatives.

2. DLR 3: A functional Treasury Single Account (TSA) is established based, on a formally approved cash management strategy, where all State Government finances (FAAC and IGR) are deposited into, before expenditure.

3. DLR 4.1: The Revenue Law is amended to include the revenue code and rates covering all State and Local Government IGR sources.

4. DLR 6.1: The Procurement Law is amended to conform with the UNCITRAL Model Law and improve the independence of the Bureau and Council. Membership of the Board/Council should include representatives from Professional Bodies and associations and any other review after the board/council's decision should be by judicial review.

5. DLR 6.2: Publish all contract award information above the set threshold, on a monthly basis and in the OCDS format on the State's website.

6. DLR 7.1: The Fiscal Responsibility Law is amended to provide for the responsibility for contracting State debt.

Table 1: Assessment Results

Key:	Achieved		Not Achieved	

Disbursement Linked Indicators	Disbursement Linked Results (2018)	Result	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY18 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		Q3 and Q4 Reports were published online within the deadline of 6 weeks.
	DLR 1.2: FY18 deviation for total budget expenditure is < 30%		The deviation was 25%.
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY19 budget		No evidence of CSO agreement with minutes (signed minutes) and minutes not published online.

Disbursement Linked Indicators	Disbursement Linked Results (2018)	Result	Remarks
DLI 3: Improved cash management and reduced revenue leakages through implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 50 percent of state government finances		The State does not have a functional TSA.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: Consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting approved by the state legislature and published		State Revenue Law was not published online
	DLR 4.2: 2018-2017 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more	**Basic Target Achieved**	The IGR Growth rate was 21.59%.
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 60 percent of current civil servants completed and linked to payroll, and identified ghost workers taken off the payroll		97% of current civil servants' biometric data captured and linked to the payroll.
	DLR 5.2: Link BVN data to at least 60 percent of current civil servants on the payroll and payroll fraud addressed		94% of current civil servants' BVN data was linked to the payroll.
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. State legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement board; and 3) Cover all MDAs receiving funds from the state budget.		The Law is structured like the UNCITRAL Model Law but does not comply with the requirements.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2018 on a monthly basis in OCDS format on the state website		No publication of contract award information online.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: Approval of state-level legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		The Law does not cover the responsibility for contracting state debt
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018		Q4 State Debt Report accepted by DMO within the required timeline.
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.		Total arrears were N1.5bn, i.e. less than the N5bn limit set for this DLR. Furthermore, the State published an ACF.
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2018, and Total debt stock at end of December 2018 as a share of total revenue for FY2018 meets target: Basic target: < 150%, Stretch target: < 125%.	**Stretch Target Achieved**	Debt service deductions was 2.75% and debt stock as a share of Revenue was 61.65%.

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

2. Introduction

2.1 Overview

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

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and JK Consulting Limited was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2018. To ensure a high-quality assessment, the IVA engaged the services of experts in Taxation, Procurement and Debt Management laws to review the legislation in place at each State.

2.2 Scope and APA Process

This Annual Performance Assessment (APA) Report covers the State's performance in 2018 against the indicators Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines and verification protocol. Each State was earlier assessed against the Eligibility Criteria set in the protocol, to determine the state's eligibility for grants under the 2018 APA. The results of the eligibility assessment were reported previously to each state, and are included in Appendix A

The verification protocol was set early in the preparation of the Program and all States, Implementing Agencies and other key stakeholders have been continuously sensitised on the requirements of the Program and on the protocol for 2018. The assessment results are binary (pass or fail), as that is how the Program for Results component was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit and a template with which to report the results achieved. The assessments were conducted between 01/12/2019 and 07/12/2019 with a team of five persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	**Financial Year [2018] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management**		**Achieved**	
1	Has the state published its quarterly budget implementation report to the state official website within six weeks of the end of each quarter?	This DLR was assessed based on the last two Quarters of 2018. The reports were published as required within 6 (six) weeks from the end of each quarter. • Q3/2018 was published 14/11/2018 • Q4/2018 was published 06/02/2019 However, it was noted that the quarterly budgets for both third and fourth quarters of 2018 were initially hosted on https://budget.pfm.yb.gov.ng/reports on 10th April 2019. Requests were made by the IVA team for evidence of earlier publication, if available. On enquiry, the IVA team was made to understand that the State migrated their data unto a new website after informing the IVA Headquarters of their intention to do so. The correspondence between the IVA and the State to migrate from the old website to the new one was obtained and retained. It showed the State provided Time Stamped evidence of the earlier online publication	Satisfactory	
2	Does the reports include, at a minimum, the approved budget appropriation for the year for each organizational unit (MDAs), and for each of the core economic	The web link https://budget.pfm.yb.gov.ng/reports was visited and the IVA team was able to confirm that the publication met the minimum requirements. These include the approved budget appropriation for the year for each	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	classifications of expenditure (Personnel, Overheads, Capital, and Other expenditures)?	organizational unit (MDAs), and for each of the core economic classifications of expenditure.		
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?	The web link https://budget.pfm.yb.gov.ng/reports was visited and the team confirmed that the publication contains actual expenditures for the quarter attributable to each MDA and each expenditure classification as well as the cumulative expenditures for year ended 31 December, 2018.	Satisfactory	
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?	The Report contain balances for each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which includes debt servicing and transfers.	Satisfactory	
DLR 1.2	**FY [2018] deviation from total budget expenditure is less than 30%**		**Achieved**	
1	Has the State Computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 30%	There is the publication of the approved budget and the actual expenditure for the whole year. There is also a computation of the difference between the approved and the actual budget for the year. This is reflected in the 2018 Audited Financial Statement obtained and retained. As shown in the computation below, the expenditure variance is less than 30%. | **2018 Budgeted**	₦92,182,336,000 | | **2018 Actual** | ₦69,438,000,421 | $$\frac{₦92,182,336,000 - ₦69,438,000,421}{₦92,182,336,000} \times 100$$ **=25%**	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
		Source: 2018 Approved Budget and Audited Financial Statements of the State.		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1.	**Citizens' inputs from formal public consultations are published online, along with the proposed FY [2019] budget**		**Not Achieved**	
1	Did the state conduct at least one "town-hall" consultation before the proposed budget is drafted with participation of local government authorities and state-based CSOs?	The IVA Team sighted the State Citizens' Engagement Report which could be viewed and downloaded from the State official website https://budget.ybpfm.org/ posted **on** 6th September 2018 and a copy of the report was downloaded and retained. The Team obtained the Citizens' Engagement report 2018 and an attendance list from the State that indicates names of CSOs that participated at the public consultation meeting. A review of the attendance list obtained at the field shows that the consultations included the participation CSOs and LGAs.	Satisfactory	
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and signposted on the home page of the website to enable citizens to find the inputs easily?	It was observed that the minutes of the meeting was not signed and dated by at participating CSOs as required. It was only signed by the Hon. Commissioner, Ministry of Budget & Economic planning. However, the IVA Team was able to confirm participation of a few of the attendees and obtained independent written confirmations from four of them having raised an issue via mail to the State. This, notwithstanding, there was no evidence that the CSOs agreed with the contents of the minutes of the meeting.	Unsatisfactory	Evidence should always be obtained of CSO participation (i.e. through signature of the minutes of the meeting) and published online.
DLI 3: Improved Cash Management and Reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	**Improved cash management and reduced revenue leakages through implementation of State TSA**		**Not Achieved**	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
1	Has the state established a functional state-level TSA?	The State does not have a functional Treasury Single Account. However, information gotten from the Permanent Secretary of the State Ministry of Finance and Economic Planning revealed that the TSA process is a work in progress.	Unsatisfactory	The State should establish a functional Treasury Single Account.
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.	There was no cash management strategy in place.	Unsatisfactory	The State should establish an approved Cash Management Strategy.
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	There was no electronic dashboard in place that allows for a central view of cash balances in bank accounts.	Unsatisfactory	The State should put in place a cash management system that allows for a central view of cash balances in bank accounts on a single electronic dashboard.
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.	The State does not have one consolidated revenue account for all State revenues. It had many bank accounts that were used in revenue collection.	Unsatisfactory	The State should put in place a consolidated revenue account (TSA).
5	Does the TSA cover a minimum of 50% of the State Government's finances?	The State does not have a functional TSA.	Unsatisfactory	Same as above
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	Consolidated state revenue code covering all state IGR sources and stipulating that		Not Achieved	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting approved by the state legislature and published			
1	Does the State have an up-to-date consolidated revenue code which includes all the State's IGR sources and all the local governments (falling under that state) IGR sources? IGR sources include presumptive tax, indirect taxes and levies (roads, hotels), fines, fees and charges. Personal income tax, including PAYE, which is collected by the State and covered by the federal tax code.	The Consolidated revenue codes were seen on pages C4-C26 in the hard copy of the Gazetted Revenue Law. This could be verified on the website: finance.pfm.yb.gov.ng. The state did not meet this DLI because the following: 1) It is uncertain that all State MDA revenue sources were captured. For example, none for High Court fees and Hospital Management Board. 2) The LGA law was not found online.	Unsatisfactory	The state should do the following: • Check all MDAs are covered in the Schedule • Publish all revenue laws online
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) as the sole agency responsible for state revenue (tax and non-tax) collection and accounting in the state?	1) S. 8(2) of Chapter 64 of the Gazette mentioned above states that the Board shall assess, collect and account for all taxes in the State. 2) S. 9 of the SBIR law also states that all monies collected by the Board on account of Taxes and other revenues shall be paid into the CRF of the State.	Satisfactory	
3	Is Collection of revenues made into accounts nominated by the SBIR for the SBIR to be deemed responsible for collection?	1) S. 9 of the SBIR law also states that all monies collected by the Board on account of Taxes and other revenues shall be paid into the CRF of the State. 2) Soft copy of Access Bank Statement obtained to evidence the fact that IGR is remitted into SBIR Access Bank account.	Satisfactory	
4	Is the code approved by the state legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment	The Official Gazette (soft copy obtained) showed that Revenue code was assented to by the Governor on 5th April 2018. The code was published on the website https://bir.pfm.yb.gov.ng/reports.aspx?id=15 on the 30/11/2017 thus meeting the requirement of the DLI.	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	to count for that year, up to 31 December 2020.			
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	The revenue code was published online on the new website https://finance.pfm.yb.gov.ng/reports.aspx?id=6 on 10/04/2019. However, with the assistance of the IT maintenance officer, the IVA team was able to confirm that the actual date of the publication using the back end was 30/11/2017.	Satisfactory	
DLR 4.2	**Annual nominal IGR growth rate meets target**		**Achieved**	
1	**Has the 2018-2017 annual nominal IGR growth rate** met the basic or stretch targets? Basic Target: 20%-39%, Stretch Target: 40% or more	The 2017 IGR was **₦3,598,131,937.00**, while 2018 was **₦4,375,208,701.00** $\frac{₦4,375,208,701.00 - N3,598,131,937}{N3,598,131,937} \times 100$ **= 21.59%** The IGR figures computed above does not include non-IGR items such as Re-imbursement, Paris club refund, Income from sale of Assets. Source: Page 2, 2018 Audited Financial Statement.	Satisfactory	
DLI 5: Biometric Registration and Bank Verification Number (BVN) used to Reduce Payroll Fraud				
DLR 5.1	**Biometric capture of at least [60] percent of current civil servants [and pensioners] completed and linked to payroll, and identified ghost workers taken off the payroll**		**Achieved**	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 60% of the current civil servants on the state payroll?	The State has a functional biometric payroll system for all its civil servants. The total number of civil servants on the payroll was **26,300** and the total number captured on Biometrics was **25,409**. Thus **97%** has been captured. This meets the minimum percentage of **60%.** We obtained Biometric report, the State payroll and Nominal roll of the civil servants.	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?	**25,409** biometric data of staff have been linked to the State payroll. The IVA team tested a sample of workers of the state on the capturing process and found out the following: 1. It was observed that capturing cannot be carried out once the individual has no BVN number. 2. A correct BVN automatically generates the staff's photograph and all other information needed. 3. This allows the staff to proceed with biometric capturing. The State operates "No biometric, No pay rule".	Satisfactory	
3	Has the State removed confirmed ghost workers within three (3) months of each case being confirmed?	One major step taken by the State to identify payroll fraud was to set up a committee to identify any instances of payroll fraud. The committee was to review the biometric report, in order to verify the identified ghost workers. The committee's findings report dated 24/01/2019 was obtained. Its recommendation on the removal of the affected staff was approved by the Governor and the ghost workers were removed in the following month February (which is within three months). We are satisfied that the result was achieved as the Committee was formed in the year of the APA and its findings and recommendations were approved and implemented with 3 months of submission. The IVA also obtained a copy of the biometric report which revealed the followings: 1. List of workers with no BVN 2. List of those with invalid BVN. 3. List of those who did not appear before the committee. 4. A list of 123 identified ghost workers. To confirm this, a random sample of over 50 identified ghost workers was carried out to check whether they have been removed from the state payroll. The IVA team confirmed that the affected Staff have been removed from the payroll immediately after the approval of the Governor.	Satisfactory	
DLR 5.2	**Link BVN data to at least [60] percent of current civil servants on the payroll and payroll fraud addressed**		**Achieved**	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
1	Has the State linked the Bank Verification Number data to 60% of its current Civil Servants on the state payroll?	The State has linked up to **97%** of the civil servants Bank Verification Number to the payroll. The State has **26,300** civil servants (excluding the pensioners) and **25,409** BVN has been linked to the payroll as at the end of 2018. The Biometric and BVN data of the civil servants were linked to the payroll simultaneously.	Satisfactory	
2	Has the State taken steps to identify payroll fraud?	One major step taken by the State to identify payroll fraud was to set up a committee to identify any instances of payroll fraud. The committee's findings/ report dated 24/01/2019 was obtained. Its recommendation on the removal of the affected staff was approved by the Governor and the ghost workers were removed in the following month February (which is within three months). As a further step, the IVA team interacted with the Consultant hired by the State Head of Service to compile a Nominal Roll of all staff. This was verified from the website created: www.ybpis.com where details all staff has been captured according to their various MDAs.	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	**Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement board and 3) cover all MDAs receiving funds from the state budget**		**Not Achieved**	
1	Does the State have a public procurement legal framework which must be approved by the state legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval of the public procurement legal framework shall occur	The State has Yobe State Public Procurement Law, 2016 which has been approved and signed by both the Governor and the Clerk of the State Assembly.	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	by the 31 December of the year under assessment to count for that year, up to 31 December 2020.			
2	Does the Law conform with the UNCITRAL Model Law which should provide for: 1) e-Procurement; 2) establishment of an independent procurement board; and 3) cover all MDAs receiving funds from the state budget.	The law is structured along UNCITRAL Model Law but does not comply adequately with its requirements. 1. On procurement: (*Compliant*) Section 5(f), Council to approve changes in procurement Process to adapt to improvements in modern Technology, BPP to establish a single internet portal that shall serve as: -a primary and definitive source of all information on government procurement; and -contain and display all public sector procurement information at all times - S. 7(q). **2**. The result of our assessment of the legislation for independence are in the table below: {TABLE_BELOW}	Unsatisfactory	The law should be amended to provide for the following: • Membership of the Board/Council should include representatives from Professional Bodies and associations. • Any other review after the board's decision should be by judicial review Furthermore, the Bureau should issue e-procurement specific regulations.

Table referenced above ({TABLE_BELOW}):

Required Provisions*	Result
The Functions and Powers of the Agency	Complies; see sections 7 and 8
The composition of the Board	Compliant See Section 4(2)
Membership of the Board/Council include representatives from Professional Bodies and associations.	Non-compliant; see section 4(2)(f). Provides for six other members of proven integrity but none representing a professional body.
The grounds for removal of the Chief Executive of the Agency.	Compliant; See Section 9(4)
Regarding the decisions of the agency; Any other review after the board's decision should be by judicial review	Non-Compliant; see section 55(8) requiring a dissatisfied bidder to go to mediation and arbitration even at a point where there is no contract between parties.

*Provided by the World Bank

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
		3. On coverage of State MDAs - (***Compliant***) The Law applies to all procurement of goods, works and services carried out by the Government of Yobe State and all procurement entities and Local Governments in the State. Section 17(1) (a-c).		
3	Has the state instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: board, bureau, commission, council, agency or any other type of entity set up for the statutory purpose?	There is an independent board known as Bureau for Public Procurement in place. According to the law establishing the agency, it is the sole regulator of all procurement issues in the state. The team visited the Bureau had an interactive session with the DG and his management staff and carried out a walk-through of their operations, reviewed some of their files and confirmed the existence of the Bureau. Also, ownership of a sample of their Fixed Assets were confirmed.	Satisfactory	
DLR 6.2	**Publish contract award information above a threshold set out in the Operations Manual on a monthly basis in OCDS format on [the state website/ on the online portal]**		**Not Achieved**	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year that are above the threshold (as defined in the state procurement law or in the state procurement regulation(s)), in line with the Open Contracting Data Standards (OCDS). For 2018, states can publish the information on the state official website or online portal if already established.	The State has not been able to achieve Open Contracting Data Standards (OCDS) components of the DLI. However, the Director General (DG) Bureau for Public Procurement informed the IVA Team that it will be ready by year 2020 as it is under process.	Unsatisfactory	The State should make necessary amendments in the procurement law to meet the OCDS requirement.
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	**Approval of state-level public debt legislation, which stipulates: 1)**		**Not Achieved**	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits			
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?	The Team obtained from the State, a hard copy of its Yobe State Fiscal Responsibility Law 2016 which has the State Public Debt Management Law embedded in it. The FR Law submitted by the State has been in place since 22nd July 2016.	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.	The Team reviewed the FR Law obtained from the State and noted provisions for the following: 1. Fiscal and debt rule-limits for the State. See Yobe State FR Law 2016 S.47(1). 2. Responsibilities for recording/reporting State debt. See Yobe State FR Law 2016 S.45(1). With regards to the responsibility for contracting State debt, the Yobe State FR Law 2016 S.48(1) refers to the approval/authorisation process for incurring borrowing. It provides the legal requirements for any MDA that wishes to borrow. It however does not specify that any one entity has the power to borrow or issue loan instruments on behalf of the state.	Unsatisfactory	The Law should be amended to specify the responsibility of contracting state debt, and to specify the entity empowered to borrow or issue loan instruments on behalf of the state.
DLR 7.2	**Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018**		**Achieved**	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2018?	This DLI was assessed based on Q4 only, as the revised report template and DMO verification protocols were only implemented in Q4 2018. A review of the Assessment Report **Ref. DMO/SPD/076/45** obtained from the Debt Management Office, shows that the State's Domestic Debt Report (SDDR) for the Q4 was	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
		submitted within the timeline. The Q4 was submitted 15th January 2019.		
2	**Note: Have you reviewed for accuracy and completeness from the DMO:** The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.	From a review of the DMO's Report along with underlying data and supporting documents attached and the SDDR obtained from the State. The following observations were made: 		DMO (Nm)	FIN.STMT. (Nm)	DIFFERENCE (Nm)	 |---|---|---|---| 	External Debt	8,438	8,383	105	 	Domestic Debt	27,873	26,266	1,607	 		36,312	34,599	1,712	 Upon further enquiry, the State explained that this was due to difference in exchange rate on the foreign loan used by both the State & Federal DMO Abuja. 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.	n/a	
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	**Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.**		**Achieved**	
1	Has the State established an Arrears Clearance Framework (ACF)?	The State has established a functional Arrears Clearance Framework on its website for the year 2018. http//.finance.ybpfm.org The ACF was not reviewed in detail as the total submission for Arrears shown on the detailed breakdown from the DMO report was N1,506,431,639. This is less than the N5bn limit	Satisfactory	*Note: At the time of this report the online publication of the ACF was inaccessible through the link provided. The State is to take steps to ensure*

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
		set within the verification protocol. No further validation of the ACF was deemed necessary.		*negligible downtime for all online publication required under the SFTAS programme.*
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	The State has planned actions to prioritize and settle its expenditure arrears. This was achieved with the setting up of an Executive Council Sub-Committee on Payments of Liabilities. Information regarding this was published on the State website. The committee submits its budget for arrears clearance payment to the executive on yearly basis. http//.finance.ybpfm.org under ACF.	Satisfactory	
3	Has the ACF been published on a state official website?	The State has published its Arrears Clearance Framework on the website below. http//.finance.ybpfm.org	Satisfactory	
4	Has the State established an Internal Domestic Arrears Database?	The state has a database for all its arrears on its website https//.finance.ybpfm.org. The State made the IVA team to understand that no arrears occurred in 2018 and that all arrears outstanding occurred in 2017. A soft copy of all contractors, pension and gratuity and salaries arrears was obtained and this information can also be verified on the website mentioned above. However, despite the feedback mechanism on the website, the team learnt that none of the contractors have come to make any claims. The IVA team tested the feedback mechanism on the Website but there was no response to our enquiry. However, the Arrears Database include figures for Salaries arrears, contractors and pension/gratuity. Note: The Total submission for Arrears shown on the detailed breakdown from the DMO report was **N1,506,431,639.** This is less than the N5bn limit set within the verification protocol.	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
5	Has the State published online elements of the internal domestic arrears database on a state official website, which constitutes the online publicly accessible arrears database?	The website http//.finance.ybpfm.org contains information on the database of contractors' arrears, pension and gratuity arrears, list of contractors, their names and description of contract among others. There was no database for staff salary arrears /claims. This issue was raised with the State and the Focal Officer explained that the State does not owe staff salaries/claims.	Satisfactory	
DLI 9: Improved Debt Sustainability				
DLR 9.0	**Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2018] AND Total debt stock at end Dec [2018] as a share of total revenue for FY [2018] meets target: Basic target: < [150%], Stretch target: < [125%]**		**Achieved** Stretch target met	
	Has the State met: (i) the ratio of total debt stock at end-of-year (31st December 2018) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2018)?-**Basic target:** < [150%]**, -Stretch target:** < [125%]	The IVA obtained a copy of Accountant-General's Report. Total debt for year 2018 was ₦36,312,156,234 while Total Revenue of N59,283,860,853 less Repayment of N382,146,778 = **₦58,901,714,075**. The computation showed a debt to revenue ratio for year 2018 of **61.65%** using the 2018 DMO data. $$\frac{N36,312,156,233.49}{₦58,901,714,075} \times 100\%$$ $$= 61.65\%$$ *Table 3 below holds a breakdown of the Total Debt. Sources: DMO/FMoF/CBN Report and Audited Financial Statements Pg. 6.,12 and Page 21.	Satisfactory	
	Has the State met: (ii) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1st January to 31st	The average monthly debt service was ₦1,500,352,285.28 while Gross FAAC allocation was ₦54,420,667,341. The debt service to FAAC allocation is: $$\frac{N1,500,352,285.28}{N54,420,667,341.76} \times 100$$	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	December 2018) is less than 40 percent of the gross FAAC allocation for the same calendar year.	= 2.75%		

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

NAIRA	YOBE
1. BUDGET SUPPORT LOAN (SOURCE FMOF)	16,869,000,000
2. BAIL OUT (SALARIES) (SOURCE CBN)	-
3. RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
4. EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,498,374,600
5. STATE BONDS	-
6. COMMERCIAL BANK LOANS	-
7. CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
8. BAIL-OUT (INFRASTRUCTURE)	-
9. MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF) (SOURCE CBN)	-
10. JUDGEMENT DEBTS	-
11. GOVT - GOVT DEBTS	-
12. CONTRACTORS' ARREARS	141,274,854
13. PENSION AND GRATUITY ARREARS	1,365,156,785
14. SALARY ARREARS AND OTHER CLAIMS	-
15. OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	27,873,806,238
TOTAL EXTERNAL DEBT (TED)	8,438,349,995
TOTAL PUBLIC DEBT (TED+TDD)	36,312,156,234

Table Notes

FOR STATES WITH Q4 2018 FIGURES

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

4. Response from the State

State should please use this box for their response.

YOBE STATE RESPONSE TO DRAFT REPORT	IVA RESPONSE / TREATMENT

Subject   complain on DLI 4.2 calculations
 	
From   Muhammad Alkali <muhammadalkali83@yahoo.com>
 	
To   sftas@oaugf.ng
 	
Date   19.02.2020 12:32 pm
 	
Dear Sir/Madam,
 	
We have recently discovered the below corrections in respect of DLI 4.2. there was an error from the assessment team.
CORRECTIONS IN RESPECT OF DLI 4.2 FROM YOBE STATE
     IGR 2017   ~~₦4,375,208,701~~
     IGR 2018   ~~₦3,598,131,937~~
     Diff. =   ~~(₦777,076,764)~~
     Divided by N 3,598,131,937 = -17.7% (less than the basic target).
 	
The IGR figures computed above does not include non-IGR items such as Re-imbursement, Paris club refund, Income from sale of Assets. There was no variance between SBIR IGR Out turn report and IGR as per Audited Financial Statement.
 	
OBSERVATION
Yobe state Calculations: IGR 2018   N4,375,208,701.00
   IGR 2017   N3,598,131,937.00
   Diff =   N777,076,765.00
Divided by N3,598,131,937   = 21.59667% (divide 777,076,765.00 by 3,598,131,937)
 	
Kindly go through the above calculations as required in respect of DLI 4.2. compare the two and see. The evaluation committee rated us low. The committee report indicates that Yobe has an increase of 17.7 while our calculations shows Yobe has scored 21.59667%. Find attached is the assessment result for Yobe State.
	Well noted, thanks. We have reviewed your submission and recalculated the IGR growth rate to be 21.59%. The DLR is therefore concluded as "**Achieved**".

Subject: Re: Draft Report - Yobe State - 2018 Annual Performance Assessment under SFTAS Date: 2020-02-07 14:56	Noted with thanks.

YOBE STATE RESPONSE TO DRAFT REPORT	IVA RESPONSE / TREATMENT
From: Muhammad Alkali <muhammadalkali83@yahoo.com> To: Dear Sir/Madam Hope you are doing well? This is to write and response to your earlier email and the recent one reminding us to comment on the result of the current SFTAS assessment report carried out in the state. We have gone through the assessment report and hold no objection. We are ensuring you that by the Grace of God, the remaining DLIs shall be achieved in your next assessment. Kindly accept the assurances of our highest regard. Muhammad Alkali Dinkiri Focal person PforR Yobe State	

Appendix A

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

Yobe State

YOUR STATE HAS BEEN ASSESSED AS HAVING MET THE ELIGIBILITY CRITERIA FOR THE 2018 PERFORMANCE YEAR.

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

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

Eligibility Criteria 2018 Part 1 - The online publication of Approved Budgets for 2019 by 28 February 2019

Overview				
Information Source(s)	**Initial checks**	**Initial Comments / Observations**	**Follow up**	**Final Assessment**
https://budget.pfm.yb.gov.ng/approved-budggets/ https://budget.ybpfm.org	A search was done on Yobe State website	The 2019 Budgets were published on the State Official website, a copy was downloaded. There's no evidence of 2019 Budgets being signed by the governor.	A request was made on 12/03/2019 to the focal persons to provide evidence of the governor's assent	**EC was met** The State focal persons responded on 15/03/19 providing an attached document to the state governor's assent. A copy was saved.

Tests/checks performed	Results	Areas for improvement
Is the approved budget for 2019 available on any of the State Government Websites?	Yes	None
Was the approved budget published online before 28 February 2019?	Yes	None
Is the published budget clear and legible?	Yes	None
Can the budget be downloaded?	Yes	None

Do we have evidence of assent by the Governor?	Yes	State should publish Governor's Assent with the Budget

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

Source(s)	Initial Work Done	Initial Comments /Observation	Follow up	Final Assessment
https://finance.pfm.yb.gov.ng/yobe-state-financial-statements/ http://www.osag.yb.gov.ng	A search was done on Yobe State website	The Financial Statements published did not contain an Audit Certificate	An email was sent to the State Focal persons as at 03/01/2019 concerning the Financial Statements Published without an audit certificate	**EC met** The State Focal persons responded on 01/02/2019 providing a link for the download of the FS and audit certificate. A copy was downloaded. We need to compare first FS download with second download to ensure they are the same.

Tests/checks performed	Results	Areas for improvement
Were the Financial Statements (FS) for 2017 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)	Yes	
Were the Financial Statement for 2017 available published online before 31 December 2018?	Yes	
Are the published financial statements clear and legible?	Yes	
Can the Financial Statements be downloaded?	Yes	
Do we have evidence of audit by the State Auditor-General?	Yes	State should publish audit certificate along with the Financial Statements
Are the financial statements complete, including primary statements and disclosure notes?	Partly	
Are there any indications that balances within the financial statements are not credible	Partly	i. Other revenue sources of the state government not yet mappable to National Chart of Accounts (NCOA). ii. No data on social benefits.

		iii. Personnel costs includes CRF charges on salaries. Need to separate CRF charges and/or provide detailed notes.