



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

2021 Annual Performance Assessment (APA) Report

GOMBE STATE

By:

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



FINAL REPORT

DECEMBER 2022

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1. Executive Summary

This report details the outcome of the Annual Performance Assessment (APA) conducted on Gombe State for the 2021 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 2021 APA for Gombe State and shows areas where the State was able to achieve results. In total, Gombe State achieved 12 (**Twelve**) DLRs out of 15 DLRs applicable to the 2021 APA of which 3 (Three) DLRs were achieved in the 2018, 2019 and 2020 APAs.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY21 quarterly budget implementation reports for Q1, Q2, Q3 and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY21 deviation for total approved original budget expenditure is < 15%		
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 FY2022 budget and citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms.		
	DLR 2.2: Citizen's Accountability Reports based on audited financial statements /reports are summarized and comprehensible versions of the audited statements and details of State government public consultations with citizens presenting the annual financial statements should be made available on the state official website (s) by 30th September of each subsequent financial year.		The State should ensure that the publication of the Citizens Accountability Reports are published within the time frame
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 80 percent of state government finances.		The State TSA did not cover a minimum of 80% 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	2020	
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target -Basic target: 20%-39% -Stretch target: 40% or more	Basic Target	The IGR growth rate was 25%

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 95 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 95 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	2019	
	6.2 No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs AND For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available		
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.	2018	
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021 AND Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021.		
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2020 and end 2021 reported in an online publicly-accessible database, with verification process in place. AND Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework. Basic target: At least a 5 percent decline or maintain stock below 5 billion naira Stretch target: More than 20 percent decline	Basic Target Met	
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021 AND		Total Debt Stock to Revenue is ≥ 120% by end December 2021

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	Total debt stock at end of December 2021 as a share of total revenue for FY2021 meets target: Basic target: < 120%, Stretch target: < 95%.		

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

1. DLR 2.2: Citizen’s Accountability Reports based on audited financial statements /reports are summarized and comprehensible versions of the audited statements and details of State government public consultations with citizens presenting the annual financial statements should be made available on the state official website (s) by the due date.
2. DLR 3.0: Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.
3. DLR 9: Strengthened debt sustainability by achieving the levels of debt indicators that are below the thresholds established for this DLR.

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 2021. To ensure a high-quality assessment, the IVA had some input/support from the Debt Management Office (DMO), to review the returns in place in this State.

2.2 Scope

This Annual Performance Assessment (APA) Report covers the State’s performance in 2021 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 2021 APA.

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitized on the requirements of the program and the protocol for 2021. The assessment results are binary (Pass or Fail), 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 25/07/2022 and 29/07/2022 with a team of 6(six) 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 are set out in this Report and the State is expected to revert within five working days with any comments on the results by using the free text box 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 [2021] quarterly budget implementation 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?	<p>The Quarterly Budget Implementation Reports were posted online on:</p> <p>Q1- 2021 https://mof.gm.gov.ng/budget-office/download/</p> <p>Q2- 2021 (https://mof.gm.gov.ng/budget-office/download/)</p> <p>Q3- 2021 https://mof.gm.gov.ng/budget-office/download/</p> <p>Q4- 2021 https://mof.gm.gov.ng/budget-office/download/</p> <p>The State website was accessed on (25/07/2022).</p> <p>Dates of online publication are as follows:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> ● Q1 – 28/04/2021 - 4 weeks (28 days) ● Q2 – 28/07/2021 - 4 weeks (28 days) ● Q3 – 28/10/2021 - 4 weeks (28 days) ● Q4 – 28/01/2022 - 4 weeks (28 days) <p>Average days (weeks) for the online publication was computed based on the last 4 quarters, as below:</p> $\frac{28+28+28+28}{4}$ <p>Average = 28 days (4 weeks)</p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2021, obtained and retained evidence of the timestamp of the publications.</p>		
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 MDA as well as the actual cumulative expenditures for the year to date, and	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s website (see web links above) we observed the following:</p> <ul style="list-style-type: none"> a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures. b) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each MDA as well as the actual cumulative expenditures for the year to date, c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	balances against each of the revenue and expenditure appropriations.	<p>d) IVA noted a difference between the Expenditure (original budget) amount (₦120,346,536,626) and the Expenditure (final budget) amount (₦120,624,076,628) leading to a variance of ₦277,540,002.</p> <p>IVA has requested for an explanation from the State on this variance via an APA issue.</p> <p>e) The Budget Implementation Reports showed the approved original budget and the approved budgets.</p> <p>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 quarter, and the balances against each of the revenue and expenditure appropriations.</p>		
3	Does the report state the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the actual cumulative expenditures for the year to date?	IVA reviewed the State's Budget Performance/implementation reports and confirmed that the report included the actual expenditures for each quarter attributed to each MDA, each expenditure classification, as well as the actual cumulative expenditures for the year to date.	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	The State's Budget Performance reports showed 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 includes debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?															
DLR 1.2	FY [2021] deviation from total approved budget expenditure is less than 15%		Achieved													
1	<p>Has the State computed the difference between the Original/Approved total budgeted expenditure for the fiscal/calendar year 2021 and the actual total expenditure in the fiscal/calendar year 2021, divided by the Original approved total budgeted expenditure and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 15%</p>	<p>The State computed the budget deviation for 2021 to be 10%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="709 846 1352 1141"> <thead> <tr> <th></th> <th>Total Approved Budget (₦)</th> <th>Actual Outturn (₦)</th> </tr> </thead> <tbody> <tr> <td>Capital Exp. (Pages 37 & 1)</td> <td>61,645,455,000.00</td> <td>31,576,469,483.04</td> </tr> <tr> <td>Rec. Exp. (Pages 37 & 1)</td> <td>58,701,081,626.00</td> <td>77,241,729,843.87</td> </tr> <tr> <td>Total</td> <td>120,346,536,626.00</td> <td>108,818,199,326.91</td> </tr> </tbody> </table> $\frac{\text{₦}120,346,536,626 - \text{₦}108,818,199,326.91}{\text{₦}120,346,536,626} \times 100 = 10\%$ <p>The budget performance deviation is 10%</p>		Total Approved Budget (₦)	Actual Outturn (₦)	Capital Exp. (Pages 37 & 1)	61,645,455,000.00	31,576,469,483.04	Rec. Exp. (Pages 37 & 1)	58,701,081,626.00	77,241,729,843.87	Total	120,346,536,626.00	108,818,199,326.91	Satisfactory	
	Total Approved Budget (₦)	Actual Outturn (₦)														
Capital Exp. (Pages 37 & 1)	61,645,455,000.00	31,576,469,483.04														
Rec. Exp. (Pages 37 & 1)	58,701,081,626.00	77,241,729,843.87														
Total	120,346,536,626.00	108,818,199,326.91														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Source: 2021 Audited Financial Statement Pg 37 and Approved Budget and Actual Expenditure or Appropriation Law Pg 1</p> <p>IVA observed a difference of ₦277,540,002.00 between the original budget size (₦120,346,536,626.00) and the final budget size (₦120,624,076,628.00) as set out on page 21 of the 2021 AFS. Also, there were discrepancies between the budget figures as stated in page 1 of the 2021 approved original budget and the budget figure stated in the Cash Flow Statement.</p> <p>An APA issue report was raised for the State to explain the difference. The response is being awaited.</p>		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	<p>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget</p> <p>AND</p> <p>Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms</p>		Achieved	
1	Did the State conduct at least one "town-hall" consultation before the	a) The LGAs in attendance are: Akko, Balanga, Billiri, Dukku, Kwami, Gombe, Shomgom, Kaltungo, Funakaye.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>proposed budget is drafted with the participation of local government authorities and State-based CSOs?</p>	<p>b) The names of the representatives are:</p> <ul style="list-style-type: none"> i. Citizens groups: The Citizens group in attendance are Market Men Association Gombe, Young Farmers, Achaba Association Gombe. ii. State-based CBOs: The CBOs representatives in attendance are: SAIF Advocacy Foundation, FOYAE Youth Development Association, Salsabeel Foundation, Advocacy Center for Development, Wildan Care Foundation. iii. State-based CSOs: The CSOs representatives in attendance are: National Union of Road Transport Workers (NURTW), Women & Youth Development Initiative (WYDI), Nigeria Union of Teachers, National Council for Women Societies, National Youth Council of Nigeria. <p>c) The sources of information from which our conclusions were drawn are minutes of the meeting, attendance list, pictures, questionnaires.</p> <p>d) The public consultation was held on 4th November 2021 at the College of Nursing and Midwifery Hall Gombe, Gombe State.</p> <p>e) A sample of 10 attendees has been contacted through phone calls to confirm their attendance.</p> <p>f) The budget was drafted on 11th November 2021. Governor’s speech on budget presentation has been obtained as evidence of budget presentation.</p> <p>g) The public consultation was done on 4th November while the draft budget was on 11th November 2021. The public consultation was done first.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> h) The date of online publication of the proposed budget is 11/11/2021. i) It was published before the deadline of 31 January 2022. j) The web link for the publication of the proposed budget is (https://mof.gm.gov.ng/budget-office/download/). This was accessed on (25/07/2022). 		
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 2022 to enable citizens to find the inputs easily?	<ul style="list-style-type: none"> a) The CSO representative in attendance is Ibrahim Yusuf (NGO Coalition Chairman. A copy of the signed minutes has been retained on file. b) The title and date of the Minutes is “REPORT ON A ONE DAY CITIZENS DIALOGUE ON GOMBE STATE 2022 BUDGET CONDUCTED BY MINISTRY OF FINANCE IN COLLABORATION WITH BUDGET, PLANNING AND DEVELOPMENT PARTNER COORDINATION OFFICE ON THURSDAY, 04TH NOVEMBER 2021 AT THE COLLEGE OF NURSING AND MIDWIFERY HALL GOMBE, GOMBE STATE”. c) The signatory represents NGO Coalition. d) The weblink is https://mof.gm.gov.ng/budget-office/download/ and date of publication (11/11/2021). This was accessed on (25/07/2022). e) The minutes were sign-posted on the website. 	Satisfactory	
3	Has the State published online, on the State website(s) a <i>Citizens Budget based on the Approved</i>	<ul style="list-style-type: none"> a) The Citizens budget based on the Approved Budget (2021) was published on (30/03/2021) before the due date via (https://mof.gm.gov.ng/budget-office/download/ accessed on (25/07/2022). 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<i>Budget (2021)</i> not later than 30 April 2021?	<p>b) A comparison of the Approved Budget 2021 with the Citizens Budget was done, and no significant area of discrepancy was identified.</p> <p>c) The Citizen’s budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template.</p> <ul style="list-style-type: none"> i. Simple explanation of the annual approved budget/citizens budget. ii. The sources of revenues. iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. iv. Total expenditure by economic classifications. v. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. vi. Disclosure of Budget deficit (if any) and how it will be financed. vii. Sectoral Allocation (by MDAs). viii. Top Projects to be financed (at least 5). <p>d) The minimum required budget information outlined above has been included.</p> <p>e) No different format was used</p>		
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	<p>a) The Citizens Budget includes an explanation of the key components in the Approved FY21 Budget.</p> <p>We confirmed that the approved FY21 state budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
5	Does the State website have functional feedback and response online mechanisms?	<p>a) The State has established a functional feedback and response online mechanism.</p> <p>b) The type of feedback mechanism established on the State website is an Email address 'info@mof.gm.gov.ng' contact number '+234 700 000 0000' has been provided for questions and enquiries, a feedback form, also the weblink provided https://mof.gm.gov.ng/Citizens-engagements/topic/public-consultation-on-2022-budget/ has feedbacks for budget/citizen participation.</p> <p>c) The State's feedback mechanism provides at a minimum:</p> <ul style="list-style-type: none"> i. Acknowledgement of receipt of comments/feedbacks from citizens ii. State's responses to comments/feedbacks iii. Display of timeframe and the State's government contact details. <p>Screenshot of items i to iii has been obtained as evidence.</p> <p>d) IVA filled the feedback form requesting for Title, Topic, Message, IVA submitted the message. Also, an email was sent 'info@mof.gm.gov.ng ' to ascertain the functionality of the feedback mechanism, IVA received an acknowledged message and a response.</p> <p>e) A demonstration was done by the State Ministry of Budget and Planning, and further evidence was provided to demonstrate how the State has responded to feedback submitted online. Screenshot of the mails sent, and feedback received were obtained.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>f) IVA has concluded on the functionality of the State's feedback mechanism.</p> <p>g) The weblink is https://mof.gm.gov.ng/Citizens-engagements/topic/public-consultation-on-2022-budget/</p>		
DLR 2.2	Citizen's Accountability Report based on audited financial statements/report published online for FY2020 not later than 30th September 2021.		Not Achieved	
1	Did the State prepare the Citizens Accountability Report to explain the full Annual Audit Report in a summarized form?	<p>a) A copy of the Citizens Accountability Report has been downloaded.</p> <p>b) A review was done on the downloaded Citizens Accountability Report.</p> <p>c) The Citizens Accountability Report was published before September 30, 2021. A copy is retained on the file.</p> <p>d) The full Annual Audit Report for the year 2020 has been compared to the Citizen's Accountability Report. No discrepancies identified.</p> <p>e) The evidence of public consultations with Citizens to explain the FY2020 has been reviewed and obtained.</p>	Satisfactory	
2	Has the State published a Citizens Accountability Report based on the Annual Financial statements/ Audit Report for FY 2020 not later than 30 September 2021?	<p>a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published 29/09/2021 via https://mof.gm.gov.ng/budget-office/download/ and accessed by IVA on (25/07/2022).</p>	Unsatisfactory	The State should ensure that the publication of the Citizens Accountability Reports are

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>However, upon further review IVA observed that the Citizen’s Accountability Report was created on 29/07/2022 during a check on the document properties. This implies that the Document could not have been published on 29/09/2021 which is before the document was created.</p> <p>Screenshots of the document properties have been retained in file.</p> <p>b) A comparison of the Annual Audit Report FY20 with the Citizens Accountability Report 2020 has been done.</p> <p>c) The Citizen’s Accountability Report was prepared according to the Template provided to the State and no discrepancies exist among the following:</p> <ul style="list-style-type: none"> i) Simple explanation of the Citizens Accountability Report and Executive Summary. ii) The Budget Outturn. iii) The Revenue Outturn. iv) The Expenditure Outturn. v) The Audit Findings. vi) The Audited Financial Statements. vii) Top Sectoral Allocations. viii) Top Value Capital Projects. ix) Citizens-Nominated Projects-Implementation Status Report. <p>d) The minimum required citizen’s accountability report information outlined above has been included.</p> <p>e) No different format was used.</p>		<p>published within the time frame</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	<p>a) The Citizen’s Accountability Report presents in a summarized manner the Audited Financial Statement.</p> <p>b) The Citizens Accountability Report included a concise explanation of the key components of the FY2020 Audited Financial Statements.</p> <p>c) The citizen’s engagement which took place in Gombe Township for Gombe North, Deba township for Gombe Central and in Billiri township for Gombe South was a forum where the representatives of the general public and non-governmental organizations, such as Civil Society Organizations, People Living with Disability, National Council of Women Societies, Print, Electronic and Social Media Outfits, etc. converged with government officials and other stakeholders to discuss about the projects/activities executed in the 2020 fiscal year as enunciated in the annual budget in the interest of the general public.</p> <p>A Citizens’ Accountability Report is a series of audit statements prepared by a government agency (Public Accounts or Final Accounts Department) on behalf of the government to the citizens to ensure accountability of public funds. This report details the government performance in carrying out the duties assigned to it and the utilization of funds in the coffers of the government. This accountability report is based on the audited financial statement (AFS) for the year 2020.</p> <p>We confirmed that the FY20 Annual Audit Report or Audited Financial Statement was summarized in a comprehensible manner to the Citizens in the Citizens Accountability Report.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		We further confirmed that the CAR was published online by the deadline and presented at a public consultation held on 21/08/2020		
<i>DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA</i>				
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?	<p>a) Gombe State has established a functional state level TSA because they have met all parameters required as detailed in the tests conducted by the IVA.</p> <p>b) The State operates one TSA and also has other accounts used for IGR and VAT collection. The accounts are:</p> <ul style="list-style-type: none"> ● IGR Main Account: 1023152372: Gombe State IGR Lead Account: United Bank for Africa (UBA) ● FAAC Account (TSA): 1022218217: Gombe State Government FAAC Account: UBA ● VAT Account: 0111207560: Gombe State Govt VAT Account: GTBank <p>The State has one TSA provider and the account details are: Account number: 1022218217: Account name: Gombe State Government FAAC Account: Bank: United Bank for Africa (UBA).</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	<p>Is there a formally approved cash management strategy in place?</p> <p>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.</p>	<p>Gombe State has a Cash Management Strategy.</p> <p>a) The cash management strategy is titled "Gombe State Cash Management Strategy".</p> <p>b) The Gombe State Cash Management Strategy was produced on December 10, 2019. It was signed by the State Executive Governor, Alhaji Muhammadu Inuwa Yahaya.</p> <p>c) The Gombe cash management strategy includes the processes through which the ministries of Finance and Budget and planning are able to forecast cash commitments and requirements and provide reliable information on funds availability. Paragraphs 3.2, 6.4, 6.5, 6.6, 6.7 and 6.8 confirms this.</p> <p>d) Paragraph 6.8 bullet point 4 of Gombe State Cash Management Strategy states that "The consolidation of government cash resources shall take place within 48 hours of collections". However, the TSA Bank Statement showed that sweeping takes place on a monthly basis. The State also confirmed that it sweeps from other revenue accounts into the TSA on a monthly basis.</p> <p>e) There is evidence that Gombe State has applied its cash forecasting on a monthly basis as described in its cash management strategy. The evidence provided is the 2021 Forecast of Inflows and Outflows Into the TSA.</p>	Satisfactory	
3	<p>Does the TSA have a system of cash management that allows for a central view of cash balances in bank</p>	<p>The State has a computer application for viewing bank account cash balances.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	accounts on a single electronic dashboard (based on the approved cash management strategy)?	<ul style="list-style-type: none"> a) The State uses the Bank Account Monitoring System (BAMS) deployed by Nigeria Inter-Bank Settlement System (NIBSS) Plc. b) It is in line with the approved cash management strategy. c) It was deployed on April 3, 2020 		
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.	<ul style="list-style-type: none"> a) IVA visited three MDAs. The MDAs are Education, Health and Works. IVA engaged with the Director of Finance & Accounts (DFAs) in each MDA to ascertain payment of levies, etc to the TSA. IVA administered questionnaires and also obtained evidence to ascertain payment to the TSA. The test above revealed that the MDAs do not collect revenue or have revenue accounts and that all revenues are collected through the IGR Account where the funds are swept into the TSA. b) The TSA is Gombe State Government FAAC Account domiciled with the United Bank for Africa (UBA) and the account number is: 1022218217 c) All government monies go through the TSA. d) Government monies do not sit in other revenue collecting Banks as sweeping is done by the State monthly. e) The TSA Bank Statement was obtained. 	Satisfactory	
5	Does the TSA cover a minimum of 80% of the State Government's finances?	<p>The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cash flow Statement for the year ended 2021.</p> <p>See the computation below:</p>	Unsatisfactory	The State's TSA should cover all of Government Finances.

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
			Total Inflows (₦)	Total Outflows (₦)		
		TSA Bank Statement	65,664,299,414.71	74,841,062,686.33		
		Government Finances*	97,959,304,022.13	99,354,565,257.91		
		Percentage	67	75		
<p>The average percentage computation is:</p> $\frac{67\% + 75\%}{2} = 71\%$ <p>The TSA covered 71% of the State's finances.</p> <p>*Sources: 2021 Audited Financial Statement (Cash flow Statement) Pg.36-38 and the TSA Statement from United Bank for Africa for January 1-December 31, 2021.</p> <p>IVA reviewed the TSA Bank Statement for possible spurious transactions and discovered that a total value of ₦303,794,615.45 were spurious and this value was removed from both the inflows and outflows of the bank statement to get the TSA inflow and outflow values in the table above.</p> <p>The calculation carried out by the IVA to arrive at the final inflow and outflow values in the TSA Bank Statement column in the above table is presented below:</p> <p>Initial TSA Bank Statement Inflows= ₦65,968,094,030.16 Possible Spurious Transactions = - <u>₦303,794,615.45</u> Final TSA Bank Statement Inflows = <u>₦65,664,299,414.71</u></p>						

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations												
	<p>Initial Bank Statement Outflows= ₦75,144,857,301.78 Possible Spurious Transactions= - <u>₦303,794,615.45</u> Final TSA Bank Statement Outflows= <u>₦74,841,062,686.33</u></p> <p>Note: IVA initial computation resulted in 65% of State finances. The State however challenged this and provided an addendum that ISPOs and others (loans, grants, etc) were treated as inflows and outflows in the AFS but they do not flow through the TSA since for example ISPOs were deducted at source. The letter from the state accountant general's office and the evidence were obtained for the recomputation and also documented for reference.</p> <p>The adjusted government finances used for the computation in the table above are presented in the table below as only the amount deducted at source from FAAC as contained in the 2021 FAAC schedule from FMOF was acceptable:</p> <p>Adjusted Government Finances</p> <table border="1" data-bbox="667 976 1381 1214"> <thead> <tr> <th></th> <th>Inflows (₦)</th> <th>Outflows (₦)</th> </tr> </thead> <tbody> <tr> <td>Cash Flows figures as per Cash Flow Statement in AFS</td> <td>107,422,938,091.13</td> <td>108,818,199,326.91</td> </tr> <tr> <td>Deductions based on FAAC</td> <td>9,463,634,069.00</td> <td>9,463,634,069.00</td> </tr> <tr> <td>Adjusted cash flow figures</td> <td>97,959,304,022.13</td> <td>99,354,565,257.91</td> </tr> </tbody> </table>		Inflows (₦)	Outflows (₦)	Cash Flows figures as per Cash Flow Statement in AFS	107,422,938,091.13	108,818,199,326.91	Deductions based on FAAC	9,463,634,069.00	9,463,634,069.00	Adjusted cash flow figures	97,959,304,022.13	99,354,565,257.91		
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DLI 4: Strengthened Internally Generated Revenue (IGR) Collection															

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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		Previously Achieved in 2020 APA	
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?	Previously Achieved in 2020 APA		
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?	Previously Achieved in 2020 APA		
3	Is the collection of revenues made into account(s)	Previously Achieved in 2020 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?			
4	<p>Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?</p> <p>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 2021.</p>	Previously Achieved in 2020 APA		
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	Previously Achieved in 2020 APA		
DLR 4.2	Annual nominal IGR growth rate meets target		Achieved (Basic Target Met)	
1	<p>Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: 20% - 39%</p>	<p>a. Gombe State adopted the cash basis of accounting for revenue reporting in 2020 and 2021 Audited Financial Statements</p> <p>b. The IVA computed the annual nominal IGR growth rate for the 2021 APA. See the computation below:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																												
	Stretch Target: 40%	<table border="1"> <thead> <tr> <th>REPORTING TEMPLATE: OPTION B</th> <th>₦</th> <th>₦</th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2020</th> <th>2021</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Reported IGR in AFS (Before Adjustments)</td> <td>8,637,425,194</td> <td>10,563,680,471.74</td> <td>22%</td> </tr> <tr> <td>2. INVALID items to be deducted IF reported as part of IGR</td> <td>449,707,358</td> <td>344,485,301</td> <td></td> </tr> <tr> <td>Repayment</td> <td>84,904,971</td> <td>56,908,210</td> <td></td> </tr> <tr> <td>Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Interest Earned</td> <td>240,647,728</td> <td>93,392,568</td> <td></td> </tr> </tbody> </table>				REPORTING TEMPLATE: OPTION B	₦	₦	% GROWTH	Item	2020	2021		1. Reported IGR in AFS (Before Adjustments)	8,637,425,194	10,563,680,471.74	22%	2. INVALID items to be deducted IF reported as part of IGR	449,707,358	344,485,301		Repayment	84,904,971	56,908,210		Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)				Interest Earned	240,647,728	93,392,568			
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Miscellaneous	124,154,658	194,184,523			
		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)	8,187,717,837	10,219,195,171	25%		
		$\frac{\text{₦}10,219,195,171 - \text{₦}8,187,717,837}{\text{₦}8,187,717,837} \times 100$					
		<p>=25%</p> <p>The annual nominal growth was 25%</p> <p>Source: 2021 Audited Financial Statement Pages 36-38</p>					
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud							
DLR 5.1	Biometric capture of at least [95] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll					Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations				
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 95% of the current civil servants and pensioners on the State payroll?	<p>The State commenced the Biometric data capture of the civil servant and pensioners on 5th August 2019 and it is ongoing.</p> <p>a) It was outsourced to (Human Capital Management Consultant).</p> <p>b) The total number of civil servants was 19,914</p> <p>c) The total number of pensioners was 6,536</p> <p>d) The total number of civil servants and pensioners on the State Nominal roll and Payroll was 26,450.</p> <p>e) The total number of civil servants and pensioners on the Nominal roll and payroll did not change by 10% or more when compared with the previous year.</p> <p>See the computation below:</p> <table border="1"> <tr> <td>Total No. of Civil Servants and Pensioners 2020</td> <td>26,603</td> </tr> <tr> <td>Total No. of Civil Servants and Pensioners 2021</td> <td>26,450</td> </tr> </table> $\frac{26,450 - 26,603}{26,603} \times 100 = -0.58\%$ <p>f) The total number of biometrics data captured was 26,450</p> <p>g) The documents obtained for conclusion are “A report on biometric and BVN from Office of Accountant General Gombe state “.</p> $\frac{26,450}{26,450} \times 100 = 100\%$	Total No. of Civil Servants and Pensioners 2020	26,603	Total No. of Civil Servants and Pensioners 2021	26,450	Satisfactory	
Total No. of Civil Servants and Pensioners 2020	26,603							
Total No. of Civil Servants and Pensioners 2021	26,450							

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The State had captured 100% biometrics 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?	<p>a) The State commenced the Biometric data capture of the civil servant and pensioners on 5th August 2019 and it is ongoing.</p> <p>b) The biometrics data that have been linked to the payroll (i.e. for staff and pensioners) was 26,450.</p> <p>c) There were no ghost workers identified during the biometrics exercise.</p> <p>d) No money was saved since there were no ghost workers.</p> <p>e) The in-year changes to the civil servant and pensioner payrolls (as a result of leavers/pensioners, deaths, etc.) are captured by the biometric exercise.</p> <p>f) There are procedures in place for ensuring timely updates to the payroll to reflect leavers, retirees, and deaths. The documents obtained to support our conclusion was “A report on biometric and BVN from the Office of Accountant General Gombe state ”.</p> <p>g) There were changes to the civil servant and pensioner payrolls during the fiscal year (as a result of leavers/deaths).</p> <p>h) The changes were captured by the biometric exercise.</p> <p>i) The procedure for identifying and removing ghost workers were as follows :</p> <p>During the year 2021, on monthly basis, Office of the Accountant General receives variations from various MDAs, on retired, dead, withdrawal, Secondment or leave of absence staff approved by the State civil</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>service commission. The variation will then pass-through Sub-Account and Audit department for cross checking, and then sent to payroll department for implementation, which will be processed immediately in that month. The next phase of this exercise is to use the payroll software to automatically delete retired staff using date of birth or date of employment, whichever comes first. In case of staff death, normally the family of the deceased report to the MDA of the deceased in writing, the variation order will be raised immediately and communicated to Accountant General for stoppage of Salary while for pensioners, deceased family informed state pension board, insert it on variation register and forward to Accountant General for deletion.</p>		
3	<p>Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?</p>	<p>a) There were no ghost workers identified, however, a total number of 612 staff were removed due to retirement/death during the FY2021.</p> <p>b) A report on biometric and BVN from the Office of Accountant General Gombe State and list of leavers and deaths.</p> <p>c) There were no ghost workers identified. However, the leavers /retirees/ dead were identified and removed during the year 2021.</p> <p>d) The total payment before their removal from payroll is ₦21,021,621,830.64</p> <p>e) The total payment after their removal from payroll is ₦20,954,697,859.88</p> <p>f) The source of the information was “A report on biometric and BVN from the Office of Accountant General Gombe state ‘.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
5.2	Link BVN data to at least [95] 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 95% of its current Civil Servants and pensioners on the State payroll?	<p>The State commenced the Biometric data capture of the Civil Servant and Pensioners on 5th August 2019 and it is ongoing</p> <p>a) It was outsourced to (Human Capital Managers Consultant).</p> <p>b) The total no of civil servants and number of pensioners was 26,450</p> <p>c) The total no of civil servants and number of pensioners on the State Nominal roll was 26,450.</p> <p>d) The BVN data has been linked to the payroll was 26,450.</p> <p>e) The source of information obtained to arrive at IVA's conclusion is a report on biometric and BVN from the Office of Accountant General Gombe state, (OAG)</p> $\frac{26,450}{26,450} \times 100 = 100\%$ <p>The State has linked 100 % of the State's civil servants and pensioners' BVN data to the payroll.</p>	Satisfactory	
2	Has the State taken steps to identify payroll fraud?	a) All civil servants and pensioners have their BVN data captured.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>b) There were no payroll frauds identified and as such, no records were kept.</p> <p>c) IVA did not obtain dates for when payroll frauds were identified as no payroll frauds were identified.</p> <p>d) As there were no payroll frauds identified, information on “total payments (emoluments of employee and pensioners) before any identification of fraud” was not in existence.</p> <p>e) There were no payroll frauds identified so information on “emoluments of employee and pensioners before the fraud identification” was not in existence.</p> <p>f) The source of the information is “A report on biometric and BVN from the Office of Accountant General Gombe state, (OAG)”</p>		
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget		Previously Achieved In 2019 APA	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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?	Previously Approved in the 2019 APA		
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.	Previously Approved in the 2019 APA		
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?	Previously Approved in the 2019 APA		
DLR 6.2	No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education,		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs</p> <p>AND</p> <p>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.</p>			
1	<p>Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2021) 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)?</p>	<p>a) The IVA obtained a schedule of all contracts awarded during the year under assessment.</p> <p>b) The IVA checked for the existence of the following:</p> <p>(i) Minimal contracts or no contracts shown for traditionally large spending MDAs,</p> <p>(ii) Minimal/limited awards in some or several months of the year, ,</p> <p>(iii) Variance of the total amount paid to contractors as per the 2021 schedule, to the State's actual capital expenditure.</p> <p>The variance between the total amount paid to contractors as per the 2021 schedule and the State's actual capital expenditure was approximately ₦3.8bn.</p> <p>The sum of contracts awarded = ₦35,346,520,537.96</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>State's CapEx = ₦31,576,469,483.04</p> <p>c) The State published the information on contracts awarded for the year under assessment.</p> <p>However, IVA noted that a few contracts were included in the list of contracts provided by the State, as follows:</p> <p>Ministry of Trade and Industry</p> <ul style="list-style-type: none"> • Electricity Supply & Distribution at Industrial Park Gombe–N1,157,409,568.31 • Procurement & Const. of 132 KVA Bay Electrical power & Extension of 132 KVA Transmissional Industrial Park Gombe - N3,795,449,614.75 • 3Days Training of For Exporters of Agricultural Products – N15,000,000 <p>This was communicated to the State for clarification and the State responded as follows:</p> <p>“The following contracts were unpublished because some of the details were incorrect, but they are still on the website:</p> <p>Ministry of Trade and Industry</p> <ul style="list-style-type: none"> • Electricity Supply & Distribution at Industrial Park Gombe–N1,157,409,568.31 • Procurement & Const. of 132 KVA Bay Electrical power & Extension of 132 KVA Transmission at Industrial Park Gombe - N3,795,449,614.75 • 3 Days Training of For Exporters of Agricultural Products – N15,000,000 <p>See attached the screenshots from the website”</p> <p>Screenshots were attached to show the existence of the contracts on the administrator's view on the open contracting portal.</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>d) The list of contracts published online is complete based on a review against the schedule of all contracts provided.</p> <p>e) The data published is in line with the Open Contracting Data Standards (OCDS).</p> <p>f) The publication was sourced from the State’s Open Contracting portal and the Due Process website</p> <p>Work done/tests carried out:</p> <p>(i) The IVA requested a schedule of all awarded contracts from the State and compared that with the online publication. There were identified differences between the two sets of records and for which the State provided reasons and backed it up with screenshots of the IT Backend.</p> <p>(ii)The schedule was also checked for accuracy and completeness. This was noted to be satisfactory.</p> <p>g) The minimum contract award information that was published is as follows:</p> <p>(i) Project name,</p> <p>(ii) awarding institution,</p> <p>(iii) award date,</p> <p>(iv) name of contractor, and</p> <p>(v) the contract amount</p> <p>h) No item from (g) above was omitted.</p> <p>i) Weblink to the publication: http://gombe.stateopencontracting.com/ContractsReport.aspx</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>and</p> <p>http://dueprocess.gm.gov.ng/landing/2022/06/03/contract-award-information/</p> <p>IVA observed that the above link which leads to the due process web page yields a list of 131 contracts with a total value of N3.709bn, all awarded by SUBEB and all awarded on the same day - 06/10/2021.</p> <p>An APA issue was raised to the state to obtain clarification on the award of 131 contracts on the same day.</p> <p>The State responded that “SUBEB mode of payment is counterpart funding. As such, they usually award contracts once in a year. They process all the contracts simultaneously and give the award to the winners on the same date.”</p> <p>The contract award information published on the state’s official website was accessible to the public.</p>		
2	Has the State implemented e-Procurement in at least 4 MDAs (including Education, Health, and Public Works) by June 30, 2022. The e-Procurement for the 2021 results DLI is the implementation of at least five modules: e-Registration, e-Publishing/Notification, e-Procurement Plan, e-Tendering and e-Evaluation/e-Awarding?	<p>a) The State implemented e-procurement in at least four (4) MDAs (including Education, Health and Public Works) by 30 June 2022.</p> <p>Weblink: https://gombe-eproc.eurodyn.com/epps/home.do</p> <p>b) A report on all transactions for the four MDAs during the period 1 January 2022 to 30 June 2022 directly from the e-procurement systems was obtained.</p> <p>The following exceptions were noted:</p> <p>i. The Prior Information Notices - Published Notifications page on the e-procurement portal was</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>blank (screenshot retained). An APA issue was raised to the State for clarification.</p> <p>The State responded that ‘the way e-publication module is used, when a new contract is published all registered vendors shall receive an email indicating that a new contract is published. Whoever is interested can follow the link and apply if he/she has all the necessary qualities and documents.</p> <p>In addition to that, if there's an open contract, what you need to do is to check CURRENT PROCESSES and you will see every necessary details of all the available CURRENT PROCESSES that was initially sent to all registered vendors/contractors. Therefore, the e-publication module covers not only prior notice but also CURRENT PROCESSES and email notification that's received by all registered vendors/contractors.”</p> <p>Upon further review, IVA observed that the 'Current Processes' page included 5 transactions</p> <p>ii. The list of awarded contracts on the ED e-procurement system does not state the contracts award amount for a number of awards (screenshots retained). This is not in line with the minimum requirement for information to be published in line with the OCDS. An APA issue was raised to the State for clarification.</p> <p>The State responded that “the reason why there is omission of contract award amount for some of the</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>contracts published on e-procurement is because there were some technical challenges that were experienced during the award of those contracts by the MDA (Ministry of Works and Transport). The amounts that were displayed were not the same as the best respective bid but that of cost estimates proposed by the MDA.</p> <p>However, if you download the award document, which is also public you will see the contract sum there.” IVA was satisfied with the State’s response.</p> <p>c) The State Accountant-General provided a list of contracts awarded and paid for, for all four MDAs for the period 1 January 2022 to 30 June 2022 from the Accountant General. This was provided on the letterhead of the Accountant-General</p> <p>d) The go-live date for e-procurement at the 4 MDAs was September 30, 2021. The IVA obtained an email communication from the Eurodynamics team, confirming the date of the go live. The State also attested to this in a letter.</p> <p>e) For all four MDAs after go-live, a comparison with the system generated report was done. All transactions after go-live stated in the Accountant General’s report for the period 1 January 2022 to 30 June 2022 were conducted through the e-procurement system.</p> <p>f) A sample of five (5) transactions at random for each of the 4 MDAs was selected and a walkthrough test of the procurement lifecycle was conducted. The samples included at least two of the following categories of expenditure (goods, works or services).</p> <p>g) The selected transactions followed the procurement lifecycle.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>h) No part of the transaction was conducted outside of the e-procurement system.</p> <p>i) The e-Registration, e-Publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules have been implemented and transactions were processed through them during the period 1 January 2022 to 30 June 2022.</p> <p>j) The State processed all of its procurement transactions at the 4 MDAs through the five minimum required modules after go-live for the period of 1 January 2021 to 30 June 2022 (and for a minimum of six months within that period).</p> <p>k) The IVA viewed and obtained screenshots of all contracts on the e-procurement portal. Screenshots obtained include advert publishing, bid submission and evaluation and contract award.</p>		
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.		Previously Achieved in 2018 APA	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 Public Financial Management Law?	Previously Achieved in 2018		
2	Does the legislation include provisions that 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.	Previously Achieved in 2018		
3	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the	Previously Achieved in 2018		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	core function of recording and reporting 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 2021 AND Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021		Achieved	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average two months after the end of the quarter in 2021?	<p>a) The state submitted quarterly State Domestic Debt Reports (SDDR) (final versions) to the DMO on an average of <u>2</u> months after the end of each quarter.</p> <p>We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> ● Q1 submitted on 06/05/2021 - 36 days, ● Q2 submitted on 09/08/2021 - 40 days, ● Q3 submitted on 28/10/2021 - 28 days and ● Q4 submitted on 20/01/2022 - 20 days. <p style="text-align: center;"><u>36+40+28+20</u> 4</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Average = 31 days (4.40 weeks)</p> <p>The SDDR were submitted within an average of 1.11 months (Average number of 31days).</p>		
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO:</p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p>	<p>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.</p> <p>b) We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Gombe State Debt Domestic Report along with all underlying data and both showed the same amount. The report was supported with the DMO's templates and guidelines.</p> <p>We reviewed the DMO report and the DMO report confirmed the <u>accuracy</u> and <u>completeness</u> of the State Domestic Debt Report.</p> <p>A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data.</p> <p>c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State has been compared with the State Audited Financial Statement.</p> <p>d) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement</p>	n/a	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>e) There were discrepancies noted during the comparison.</p> <p>i. SDDR Figure: ₦69,131,414,494.94</p> <p>ii. AFS Figure: ₦69,270,032,298.80</p> <p>iii. Difference: ₦138,617,803.9</p> <p>f) IVA communicated the State to give reason for the identified discrepancies and the State responded thus:</p> <p>“1. With reference to discrepancies between the quarterly report (Q4 2021) and the 2021 Audited Financial Statement on Health Care Facility, you may wish to note that the Quarterly report (Q4 2021) showed a sum of 1,835,616,046.03, while the Financial Statement showed the sum of 1,974,233,848.89.</p> <p>2. In view of the above, the difference emanates as a result of the inclusion of the Principal Repayments as part of the interest payment in the Financial Statement. Therefore, the actual CBN Health Care Facility is the amount shown on the Q4 Domestic Debt Report (1,835,616,046.03).</p> <p>3. Whilst thanking you in anticipation of your prompt attention in this matter. Kindly accept the assurances of my highest regards.”</p> <p>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.</p>		
3	Has the State published online the State Debt Sustainability Analysis and	a) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published on the State official website.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Debt Management Strategy Report (SDSA-DMSR) by 31 December 2021?	<ul style="list-style-type: none"> b) State the date of publication 15th December 2021 c) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published by 31 December 2021. The evidence obtained to confirm the date of online publication was a screenshot of the backend. d) The weblink- https://mof.gm.gov.ng/dmo/download/ 		
4	Does the SDSA - DMSR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options; including a summary analysis of the projections of performance indicators used to assess Debt Management Strategy, and their implications for cost-risk profile of State debt portfolio in 2025; and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	<p>Upon review of the SDSA -DMSR, it included the following:</p> <ul style="list-style-type: none"> (1) Adequate presentation of medium-term budget forecasts, including: <ul style="list-style-type: none"> (a) Presentation of MTB forecasts in either a table OR chart(s) (OR both table and chart(s)) with projected annual figures from 2021 to 2024. (b) Description of assumptions underpinning the MTB forecasts from 2021 to 2024: either a table with assumptions OR corresponding explanations in writing (OR both) (c) A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout the period 2021-2024 (d) The presentation and analysis in the entire forecast period need to be of adequate quality, and do not contain illogical statements (e.g. negative figures for debt stock; contradictory or illogical statements or arguments, etc.) (2) A detailed and adequate description of the debt portfolio and borrowing options, including: 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<ul style="list-style-type: none"> (a) Presentation of debt and borrowing projections in the baseline scenario either using a table OR charts (OR both) with projected figures from 2021 to 2030. (b) Description of assumptions underpinning the borrowing options presented: either a table with assumptions OR corresponding explanations in writing (OR both) (c) A summary analysis of the debt projections and their implications for debt sustainability and fiscal policies throughout the period 2021-2030 (d) A summary analysis of the projections of performance indicators used to assess DMS throughout the period 2021-2025, and their implications for the cost-risk profile of the State debt portfolio in 2025. (e) The presentation and analysis in the entire forecast period need to be of adequate quality, and do not contain illogical statements (e.g. negative figures for debt and borrowing projections; contradictory or illogical statements or arguments, etc.) <p>(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year, which contains the following;</p> <ul style="list-style-type: none"> (a) Presentation of revenue, expenditure, budget balance, and debt information, at least for 2020: either a table OR charts (OR both table and chart(s)) with historical figures for at least 2020 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>(b) A summary analysis of the information presented on revenue, expenditure, budget balance, and debt in 2020: analysis (in writing) of fiscal and debt situation in 2020.</p> <p>(c) The presentation and analysis in the entire historical period need to be of adequate quality, and do not contain illogical statements (e.g. negative figures for debt and borrowing projections; contradictory or illogical statements or arguments, etc.)</p> <p>b) A review and comparison between the information (figures) contained in the assessment report of the SDSA-DMSR obtained from the DMO and the SDSA-DMSR obtained from the State Website was done. There were no differences identified.</p>		
<p><i>DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears</i></p>				
DLR 8.0	<p>Domestic arrears as of end 2020 and end 2021 reported in an online publicly accessible database, with verification process in place.</p> <p>AND</p> <p>Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p>		<p>Achieved</p> <p>Basic Target Met</p>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>Basic Target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch Target: More than 20 percent decline</p>			
1	Has the State established an Arrears Clearance Framework (ACF)?	<ul style="list-style-type: none"> 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 30 December 2020. d) The duration of time between the establishment of the ACF and the 31 December 2021 year-end is adequate to allow time for the implementation of the ACF. 	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<ul style="list-style-type: none"> a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled. b) The evidence seen when reviewing the ACF that shows the ACF contains the two stated requirements are on pages 6-8 for planned actions to settle the arrears and pages 9-10 for explicit prioritisation of expenditure arrears to be settled. c) The documents submitted by the state to confirm the ACF exists is a soft copy of the ACF and a screenshot of the backend where it was published. A copy of the ACF was also downloaded. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Has the ACF been published on a State official website?	<p>a) We confirmed that the ACF has been published on a State official website.</p> <p>b) We have downloaded a copy for validation.</p> <p>c) The web link - https://mof.gm.gov.ng/dmo/download/ The evidence obtained to confirm the date of publication was a screenshot of the backend.</p>	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	<p>The clearance of domestic expenditure arrears is consistent with the ACF.</p> <p>IVA conducted a walkthrough test on the internal domestic arrears database to test the extent to which the State conformed with the provision of the ACF in settling its arrears. IVA confirmed that contractors, pension and gratuity arrears are being paid based on the ACF i.e. from the oldest to the newest arrears on pension and gratuity. For contractors' arrears, status of work (construction), size of the arrears (largest value to the smallest as well value) as age (oldest - date missed payment was due) were criteria used to select arrears to be cleared. Payment Vouchers were collected as evidence of settlement of the contractors, pension and gratuity arrears.</p>	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State has established an Internal Domestic Arrears Database.</p> <p>b) The Internal Domestic Arrears Database includes the following:</p> <p>a. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, at a minimum, the internal domestic arrears database must also include the name of the contractor, the amount due at the end-of-year, the nature of the goods and services procured that generated the</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>claim, and billing data (as applicable). The database should show the total domestic arrears stock at the end of each year.</p> <p>b. The aggregate amount of pension and gratuity arrears.</p> <p>c. The aggregate amount of salary arrears and other staff claims.</p> <p>d. The aggregate amount of other types of domestic arrears</p> <p>c) A verification process is in place for the arrears in the database</p> <p>d) We confirmed through the evidence provided by the State that the State has conducted verification of arrears balances.</p> <p>e) We conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, payroll records, underlying contract data, etc.</p> <p>The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)</p>		
6	Has the State published online elements of the internal domestic arrears database for the FY 2020 and FY 2021 reported on a State official website, which constitutes the online publicly accessible arrears database?	<p>a) The State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2020 and 2021.</p> <p>b) We compared the aggregate and individual information available on the online publicly-accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly-accessible arrears database.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>c) The website supporting the online publicly-accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online and attaching supportive evidence of her claim. If the State Ministry of Finance confirms the validity of this claim, it shall be added to the internal domestic arrears database and included as relevant in the online publicly accessible arrears database.</p> <p>d) We confirmed that the online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State.</p> <p>e) The result of the test of the facility for contractors with arrears (creditors) to report any omissions to the State was that a mail was sent to the State through the Portal and it was responded to.</p> <p>f) There were no omissions reported by contractors.</p> <p>g) Since there were no omissions reported by contractors, the need to confirm that any omissions of contractor arrears found to be valid were subsequently included in the internal domestic arrears database was not necessary.</p> <p>h) The source of information was- https://mof.gm.gov.ng/dmo/download/</p> <p>IVA concludes that the State has a functional online accessible database.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																				
7.	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	<p>The online publication includes the aggregate amount of two out of the four types of arrears as shown. This is because the State does not have salary arrears and Judgement Debt/ Other types of arrears.</p> <p>The online publication contains the names of contractors owed ₦20m in arrears and above.</p>	Satisfactory																					
8.	<p>Has the State met the following?</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is</p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2021</th> <th>2020</th> <th>% Diff.</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>13,566,643,921.21</td> <td>15,732,025,860.00</td> <td>13.76</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>10,466,046,415.92</td> <td>9,937,663,723.00</td> <td>5.32</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Judgment Debt</td> <td>-</td> <td>-</td> <td></td> </tr> </tbody> </table>	Aggregate Amount of:	2021	2020	% Diff.	Contractors Arrears	13,566,643,921.21	15,732,025,860.00	13.76	Pension and Gratuity arrears	10,466,046,415.92	9,937,663,723.00	5.32	Salary arrears and Staff claims	-	-		Judgment Debt	-	-		Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations							
	<p>consistent with the state's arrears clearance framework.</p> <p>Basic target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch target: More than 20 percent decline</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.</i></p>	<table border="1"> <tr> <td>Other types of domestic expenditure arrears</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Total Domestic Arrears</td> <td>24,032,690,337.13</td> <td>25,669,689,583.00</td> <td>6.40</td> </tr> </table>	Other types of domestic expenditure arrears	-	-		Total Domestic Arrears	24,032,690,337.13	25,669,689,583.00	6.40				
Other types of domestic expenditure arrears	-	-												
Total Domestic Arrears	24,032,690,337.13	25,669,689,583.00	6.40											
		<p>a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and confirmed it was the same as the balances stated within the SDDR and the AFS for 2021.</p> $\frac{\text{₦}25,669,689,583.00 - \text{₦}24,032,690,337.13}{\text{₦}24,032,690,337.13} \times 100 = 6.40\%$ <p>The percentage decline is 6.40%</p> <p>Source: State internal domestic expenditure arrears database.</p>												
DLI 9: Improved Debt Sustainability														
DLR 9.0	<p>Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021</p> <p>AND</p>					Not Achieved								

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																						
	<p>Total debt stock at end of December 2021 as a share of total revenue for FY 2021 meets target:</p> <p>-Basic target: < 120%</p> <p>-Stretch target: < 95%</p>																									
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31st December 2021) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2021)?</p> <p>-Basic target:< [120%]</p> <p>-Stretch target: < [95%]</p> <p>(ii) Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021.</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p>Total Public Debt*</p> <table border="1"> <thead> <tr> <th></th> <th>Financial Statements (₦)</th> <th>DMO/ SDEDR Figures (₦)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>138,772,117,107.70</td> <td>84,202,342,844.99</td> </tr> <tr> <td>Total External Debts</td> <td>14,512,511,973.77</td> <td>14,512,511,972.21</td> </tr> <tr> <td>Total Public Debts</td> <td>153,284,629,081.47</td> <td>98,714,854,817.20</td> </tr> </tbody> </table> <p>Total annual revenue</p> <table border="1"> <tbody> <tr> <td>2021 Adjusted IGR (see DLI 4.2)</td> <td>10,219,195,171</td> </tr> <tr> <td>Gross FAAC Allocation**</td> <td>58,684,203,792</td> </tr> <tr> <td>Grants</td> <td>5,731,196,600</td> </tr> <tr> <td>Other Revenues</td> <td>287,577,091</td> </tr> <tr> <td>Total Revenue</td> <td>74,922,172,654</td> </tr> </tbody> </table> <p>a. We have computed the total debts stock / Revenue percentage for the 2021 year, as follows:</p> <p>AFS Computation:</p> $\frac{\text{₦}153,284,629,081.47 \times 100}{\text{₦}74,922,172,654} = 204.59\%$		Financial Statements (₦)	DMO/ SDEDR Figures (₦)	Total Domestic Debts	138,772,117,107.70	84,202,342,844.99	Total External Debts	14,512,511,973.77	14,512,511,972.21	Total Public Debts	153,284,629,081.47	98,714,854,817.20	2021 Adjusted IGR (see DLI 4.2)	10,219,195,171	Gross FAAC Allocation**	58,684,203,792	Grants	5,731,196,600	Other Revenues	287,577,091	Total Revenue	74,922,172,654	Unsatisfactory	The State should reduce its debt to revenue ratio and ensure debt is sustainable. As a general guide, debt should not be more than 95% of Revenues and should ideally be much less.
	Financial Statements (₦)	DMO/ SDEDR Figures (₦)																								
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>DMO Computation:</p> $\frac{\text{₦}98,714,854,817.20}{\text{₦}74,922,172,654} \times 100 = 131.76\%$ <p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:</p> $\frac{\text{₦}9,463,634,069}{\text{₦}58,684,203,792} \times 100 = 16.1\%$ <p>b. The SDEDR from Federal DMO has been provided and compared with the SDDR.</p> <p>Sources:</p> <p>i. For Total Revenue 2021 Audited Financial Statement, pg 37-38.</p> <p>ii. For Total Public Debt from DMO* as at December 31, 2021</p> <p>iii. NBS/OAGF (FAAC)</p> <p>*Table 3(i) below holds a breakdown of the Total Debt.</p> <p>** Refer to the FAAC table on DLI9 provided.</p>		

TABLE 3(i): DLI 9 31 DECEMBER 2021 STATE DEBT STOCK TABLES FOR GOMBE STATE

S/N	GOMBE STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	22,021,729,672.49
2	BAIL OUT (SALARIES) (SOURCE CBN)	10,580,574,052.06
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
4	EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,678,919,109.65
5	STATE BONDS	10,522,875,310.02
6	COMMERCIAL BANK LOANS	-
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	
9	BAIL-OUT (INFRASTRUCTURE)	
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	
11	HEALTHCARE DEDUCTIONS	1,835,616,046.03
12	BRIDGE FINANCE FACILITY	3,053,241,757.40
13	FAMILY HOMES FUND	
14	ANCHOR BORROWERS PROGRAMME	455,549,909.89
15	OTHER FGN INTERVENTIONS	
16	MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF)	2,021,146,642.08
17	JUDGEMENT DEBTS	-
18	GOVT - GOVT DEBTS	-
19	CONTRACTORS' ARREARS	13,566,643,921.21

20	PENSION AND GRATUITY ARREARS	10,466,046,415.92
21	SALARY ARREARS AND OTHER CLAIMS	-
22	OTHER DEBTS	-
	TOTAL DOMESTIC DEBT (TDD)	84,202,342,844.99
	TOTAL EXTERNAL DEBT (TED)	14,512,511,972.21
	TOTAL PUBLIC DEBT (TED+TDD)	98,714,854,817.20

TABLE 3(ii): DLI 9 31 DECEMBER 2021 - ADJUSTED REVENUE TABLES FOR GOMBE STATE

TEMPLATE: OPTION A	₦
Item	2021
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	58,684,203,792
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	39,310,161,316
1.1.1 Gross statutory allocation	33,252,829,316
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	6,057,332,000
1.2 VAT	19,374,042,476
2. Internally Generated Revenues (IGR) – Adjusted	10,219,195,171
3. Grants (internal and external)	5,731,196,600
4A. Other revenues (4.1 + 4.2 + 4.3)	287,577,091
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	93,392,568
4.3 Miscellaneous	194,184,523
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	74,922,172,654

4. **Response from the State**

The State should please use the table below for their response.

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p>DLI 3- TSA COVERAGE PERCENTAGE</p> <p>We write in response to the draft report received following the IVA team review. It should be noted that Gombe State has been operating the TSA since 2015 adhering to CBN’s “Guidelines for TSA Operations by States”, and circular on TSA guidelines issued by the office of the Accountant General of the Federation. The State formulated the Cash management strategy to serve as a policy document to guide the implementation of the TSA supported by executive order NO.4 purposely to enforce the implementation and sustainability of the TSA structures and policies in the State.</p> <p>Based on the above premise, Gombe State implemented the TSA with the option of TSA main account and other linked subsidiary accounts all monitored and controlled on a single dashboard in the office of the Accountant General (as stipulated in page 2 no2 in CBN’s TSA guidelines). The TSA is structured bearing in mind all the requirements of the SFTAS guidelines with full compliance to the DLIs verification protocols requirements.</p> <p>The IVA team after the review of the State finances covered by the TSA arrived at 71% in the 2021 APA implying that the State did not achieve DLI 3. This low percentage we observed was due to the following issues identified that needed to be considered in the computations:</p> <ol style="list-style-type: none"> 1. ISPO’s (Deduction at source) paid from FAAC which do not pass-through TSA to the tune of N9,463,634,069.00. pages 52-53 on AFS (Appendix i) IMPLICATION: This amount formed part of our government finances in AFS 2021 but does form part of the amount that pass-through TSA thereby reducing the percentage. 2. Capital receipts from the Development partners which is paid straight to projects accounts without passing through TSA but captured in AFS as capital receipts (See pages 51&52 of AFS as tabulated in appendix II attached). IMPLICATION: The inflow of N31,251,880,467.10 which has not passed through TSA was captured in Government finances in AFS (used as the denominator). This has the implication of increasing the 	<p>IVA has noted the State’s response. However, we still maintain our position.</p>

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>denominator and reducing the numerator. In all, this has a total effect of reducing the percentage of TSA inflows over AFS Government finance (receipts).</p> <p>3. Expenditures of N15,192,919,174 incurred by development partners for projects executed do not pass-through TSA but same is captured as part of AFS.</p> <p>IMPLICATION: This has the implication of reducing the percentage of TSA outflows to government finances in the AFS. (see pages 290, 295, 298,302, and 54-57. Appendix III attached).</p> <p>Taking these three points into cognizance, there is a need to recalculate the percentages in order to have a fair measure of TSA operation in the State. This is depicted in the attached appendices for the sake of clarity.</p> <p>The computation in the attached appendix iv shows that the average percentage will be 93.68%.</p> <p>In light of this, the State has passed the average percentage threshold of 80% as stipulated in the verification protocol.</p> <p>Thank you for the anticipated cooperation and understanding.</p>	
2	<p>DLR 6.2</p> <p>We refer to the Gombe State 2021 APA Draft Report and respond accordingly on the DLR 6.2 issues raised.</p> <p>1. Issue as raised by IVA: The variance between the total amount paid to contractors as per the 2021 schedule and the State's actual capital expenditure was approximately N3.8bn. the sum of contracts awarded = N35,346,520,537.96 State's Capital Expenditure = N31,576,469,483.04.</p> <p>Response: The contract awarded amount and the actual capital expenditure amount will not be the same as contracts are paid based on certificate of valuation issued by the contractors, and approved by the authority, while the actual capital expenditure is the actual amount paid within the fiscal year.</p> <p>2. Issue as raised by IVA: IVA noted that a few contracts were not published online but were included in the list of contracts provided by the State, as follows:</p> <p>Ministry of Trade and Industry</p>	<p>IVA noted the State's response and have included it in the report.</p>

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>- Electricity Supply & Distribution at Industrial Park Gombe-N1,157,409,568.31</p> <p>- Procurement & Const. of 132 KVA Bay Electrical power & Extension of 132 KVA Transmissional Industrial Park Gombe - N3,795,449,614.75</p> <p>- 3Days Training of For Exporters of Agricultural Products - N15,000,000</p> <p>Response - The contracts above were approved by the State Executive council to be transferred from the State Ministry of Trade and Industry to Gombe Revenue Optimization Company Limited (GROCOL) which is a limited liability company and it has separate procurement process, hence the projects were unpublished from the list on the State Open Contracting Portal, please find attached Gombe State Executive Council Extract approving the transfer of the entire project to GROCOL for your guidance.</p> <p>3. Issue as raised by IVA. The Prior Information Notices - Published Notifications page on the e-procurement portal was blank (screenshot retained). This indicates the e-publication/notification module was not in use.</p> <p>Response- The Prior Information Notice (PIN) is not mandatory for the preparation and publication of a procurement process, as it only allows a Procuring Entity (PE) user to announce the authority's intention for a future procurement. In case the IVA team needs to check the Bid Notices of the published procurement processes then they have to search through the Advanced Search URL (https://gombe-eproc.eurodyn.com/epps/prepareAdvancedSearch.do?type=cftFTS) for all the processes of the system. The Bid Notices are available under the "Process Documents" menu item. Please note that in case you access the system as guest users, it will only be possible to search for the publicly available processes (Open Domestic/ International Bidding). Additionally, the IVA team can check the Bid Notices of all the awarded process upon selecting the respective process from the list of "Awarded Contracts" page (https://gombe-eproc.eurodyn.com/epps/viewAllAwardedContracts.do) and then select the "Process Documents" menu option.</p> <p>4. Issue as raised by IVA - Upon further review, IVA observed that the 'Current Processes page does not include 'every necessary detail of all the available CURRENT PROCESSES that was initially sent to all registered vendors/contractors'. It includes just 5 transactions and the bid notifications or advertisements for the opportunities were not seen via any link on the page. Specifically, it was observed that the 'Notices' column is empty. It is noted that the 5 contracts that have been awarded but are still showing as the list of current processes (and reflected as being at 'bid submission' stage) are an indication the e-procurement system is not working.</p> <p>Response-Please note that the "Current Process" page contains only the procurement processes that are under "Bid submission" status. That is bids that are still at tendering stage. Therefore, once a bid notice is closed, it will no longer show on the current status. Hence, it is normal that it is empty if there are no competitions that are currently in this stage. In case the IVA team needs to check the</p>	

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>published procurement processes can search through (https://gombe-eproc.eurodyn.com/epps/viewCFTSFromFISAction.do) for all the processes available in the system. To this end, the system behaves as expected.</p> <p>The -publication/e-publishing module covers the following areas:</p> <ul style="list-style-type: none"> - Procurement Planning Publication - Prior Information Notification - Bid Submission Notification - Award Notification - CURRENT PROCESSES & PROCESSES - Email Notification <p>When a new contract is published online, it will be found automatically under CURRENT PROCESSES and PROCESSES. When the bids submitted by contractors are opened, that project/contract will automatically disappear from the CURRENT PROCESSES, and can only be found under PROCESSES (contains the list of all transactions on the system). Based on your further review, the five transactions you found under CURRENT PROCESSES were there due to some technical challenges. The responsible Ministry (Works and Transportation) initiated the same processes again when they could not meet up with the bid submission deadline (Bid Submission), because they wanted to extend the deadline when no contractor submitted their bids as it was the first time the contractors are doing that. The system did not allow them to extend the deadline. We raised a complain to the Euro Dynamics (ED) regarding that, but they said the deadline cannot be extended, and that is why Ministry of Works and Transportation were advised by the ED to reinitiate the 5 transactions that are the same with the previous ones in order to give contractors enough time to learn how they can submit their bids online appropriately. This created repetitions, with 5 transactions whose bid submission deadline passed and 5 new transactions that allow contractors to submit their bids. (See Attached Email Communication with the ED on Bid Submission) And when we realized that, the initial transactions were still under CURRENT PROCESSES, we raised another complain to ED indicating that the transactions were still showing under CURRENT PROCESSES even though the deadline for the bid submission passed. (See attached Transactions).</p> <p>5. Issue raised by IVA- Also, the requirement for this DLR is to publish the necessary information (Adverts, bid opportunity notifications, award notifications etc) for all to see, and not to send opportunities to only registered vendors.</p> <p>Response - IVA should please be guided and note that the level of accessibility of adverts in public procurement is regulated by a number of factors including the procurement method, (which also is determined by a number of factors including thresholds) for the specific procurement opportunity.</p>	

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>Furthermore, it should be noted that, it is only when Open Domestic/International Competitive Bidding is chosen as the preferred procurement method, that the general public can view or have public view right. This is in line with global best practice on public procurement and in line with Sections 46 -49 of the Gombe State Public Procurement Law. Moreover, the e-GP system is configured in this way. There is no part of the DLR requirements or verification protocols which states that "advert - bid opportunity notification is for all to see". The State is aware though of the requirement that IVA should "confirm whether the e-Registration, e-Publishing/Notification, -Tendering and e-Evaluation/-Awarding modules have been implemented" and these have been fully complied with by Gombe State. Finally, we recognize that in case of contract award notifications, the general public should have view access for all contracts notwithstanding the procurement method, however, for bid opportunity notifications, the general public can't have view access in all cases as previously explained.</p> <p>6. Issue raised by IVA- No award or transaction dated after June 2022 was seen on the system, indicating the system is currently not in use.</p> <p>Response- The system is still in use. The State commits to the NGF Charter on sustainability of SFTAS reforms. No award or transaction dated after June 2022 was seen on the system because the entire pilot MDAs (Ministry of Works and Transportation, Ministry of Health, Ministry of Education, and Ministry of Housing & Urban Development) have no approval to award more contracts this year. No transactions are processed outside the e-procurement system by the entire pilot MDAs after Go-live.</p> <p>Response - This was as a result of some technical challenges experienced as we responded to the APA issue that was raised. We communicated the problem to ED but they have not made the changes (reconfiguration) yet (See attached Email Correspondences with ED). All the awarded contracts on e-procurement system can be downloaded online which contain the necessary information regarding the awarded contracts including contract award amount.</p>	
3	<p>DLI 9</p> <p>We refer to the Gombe State 2021 APA Draft Report and respond accordingly on the DLI 9 issues raised.</p> <p>Issue as raised by IVA: The State AFS and DMO/SDEDR total review arrived at 204.59 and 131.76 as total debt to revenue, implying that the State did not achieve DLI 9.</p>	<p>Table 3(i) shows the breakdown of the States Domestic Debt Records provided by the Federal Debt Management Office for Kebbi State.</p> <p>Recall that the Requirements of the Verification Protocol states "...State debt stock data used to calculate the debt-to-revenue indicator will be primarily obtained from the annual State Domestic</p>

S/N	State Response to the draft report	IVA Follow-up, response, treatment																																		
	<p>Response: The reason for the high percentage of the Total Debt to Revenue was as a result of the following:</p> <ul style="list-style-type: none"> - Non-inclusion of opening balance of N16,830,929,386.14 as part of the total revenue (Appendix I) Implication: The opening balance form part of the total revenue but was not included in the computation, thereby increasing the percentage. - Inclusion of the total accrued interest of N52,705,227,482.39 as part of the total debt stock in the AFS (Appendix II) Implication: Adding accrued interest of N52,705,227,482.39 as part of total debt stock in the AFS will increase the percentage of Debt Stock to Revenue. - The computations are presented in Appendix III <p>APPENDIX 1: Total Revenue</p> <p>Total Public Debt*</p> <table border="1" data-bbox="300 841 1194 1159"> <thead> <tr> <th>Opening Balance</th> <th></th> <th>16,830,929,386.14</th> <th>16,830,929,386.14</th> </tr> </thead> <tbody> <tr> <td>2021 Adjusted IGR (see DLI 4.2)</td> <td>10,219,195,171</td> <td></td> <td>10,219,195,171</td> </tr> <tr> <td>Gross FAAC Allocation**</td> <td>58,684,203,792</td> <td></td> <td>58,684,203,792</td> </tr> <tr> <td>Grants</td> <td>5,731,196,600</td> <td></td> <td>5,731,196,600</td> </tr> <tr> <td>Other Revenues</td> <td>287,577,091</td> <td></td> <td>287,577,091</td> </tr> <tr> <td>Total Revenue</td> <td>74,922,172,654</td> <td></td> <td>91,753,102,040.14</td> </tr> </tbody> </table> <p>APPENDIX II: Total Debt Stock</p> <table border="1" data-bbox="300 1255 1398 1386"> <thead> <tr> <th></th> <th>Financial Statements (₦)</th> <th>Accrued Interest</th> <th>Total Debt Stock as per AFS</th> <th>DMO/SDEDR Figures (₦)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>138,772,117,107.70</td> <td>(52,705,227,482.39)</td> <td>86,066,889,625.40</td> <td>84,202,342,844.99</td> </tr> </tbody> </table>	Opening Balance		16,830,929,386.14	16,830,929,386.14	2021 Adjusted IGR (see DLI 4.2)	10,219,195,171		10,219,195,171	Gross FAAC Allocation**	58,684,203,792		58,684,203,792	Grants	5,731,196,600		5,731,196,600	Other Revenues	287,577,091		287,577,091	Total Revenue	74,922,172,654		91,753,102,040.14		Financial Statements (₦)	Accrued Interest	Total Debt Stock as per AFS	DMO/SDEDR Figures (₦)	Total Domestic Debts	138,772,117,107.70	(52,705,227,482.39)	86,066,889,625.40	84,202,342,844.99	<p>and External Debt Report (SDEDR) for each state issued by the DMO for the year under assessment...”</p> <p>Thus, the records utilized by the IVA is consistent with the requirements of the verification protocol and so, the results remains valid.</p>
Opening Balance		16,830,929,386.14	16,830,929,386.14																																	
2021 Adjusted IGR (see DLI 4.2)	10,219,195,171		10,219,195,171																																	
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S/N	State Response to the draft report					IVA Follow-up, response, treatment
	Total External Debts	14,512,511,973.77		14,512,511,973.77	14,512,511,972.21	
	Total Public Debts	153,284,629,081.47	(52,705,227,482.39)	100,579,401,599.17	98,714,854,817.20	
4	<p><u>APPENDIX III: Computation of Debt to Revenue</u></p> <p>AFS Computation: $\frac{\text{₦}100,579,401,599.17}{\text{₦}91,753,102,040.14} \times 100$ =109.62%</p> <p>DMO Computation: $\frac{\text{₦}98,714,854,817.20}{\text{₦}91,753,102,040.14} \times 100$ =107.59%</p>					