

# GOMBE STATE OF NIGERIA



## Arrears Clearance Framework (ACF) 2022

December 2022

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**ABBREVIATIONS AND ACRONYMS**

OAGF	Office of the Accountant General of the Federation
APA	Annual Performance Assessment
OAGF	Office of the Auditor General for the Federation
CB	Capacity Building
DLI	Disbursement Linked Indicator
DLR	Disbursement Linked Result
DMO	Debt Management Office- Nigeria
FAAC	Federation Account Allocation Committee
FGN	Federal Government of Nigeria
FMIS	Financial Management Information System
FMOF	Federal Ministry of Finance
FRA	Fiscal Responsibility Act
FRL	Fiscal Responsibility Laws
FSP	Fiscal Sustainability Plan
FY	Fiscal Year for the Government, running 1 Jan to 31 Dec
GDP	Gross Domestic Product
HFD	House Finance Department (Federal Ministry of Finance)
IGR	Internally Generated Revenues
ISPO	Irrevocable Standing Payment Order
IVA	Independent Verification Agent
MDA	Ministries, Departments and Agencies
MTEF	Medium-Term Expenditure Framework
PFM	Public Financial Management
PforR	Program for Results
SFTAS	The State Fiscal Transparency, Accountability and Sustainability Program for Results
TA	Technical Assistance
TSA	Treasury Single Account
WB	World Bank

## **CHAPTER ONE**

### **INTRODUCTION**

The introduction of the Arrears Clearance Framework comprised of the coverage and scope of the framework, purpose of the framework document, users of the framework document, and presentation of the State's domestic expenditure arrears and description of the State's policy on arrears.

#### **1.1 Background**

The responsibility of managing the domestic expenditure arrears of Gombe State debt is rested on the Debt Management Agency (DMA) of the State's Ministry of Finance based on an established law of the State's Debt Management Agency Law 2021 and passed by Gombe State House of Assembly.

The aim of Arrears Clearance Framework (ACF) is to address the challenges involved in the settlement of accumulated Government Expenditure Arrears associated with the problems in the Public Financial Management (PFM). The planned of action in the ACF is designed to be consistent with maintaining macroeconomic stability based on inclusive growth and transparent implementation.

The State's Domestic Debt Arrears (DDA) is financial obligations that have been incurred by the Gombe State Government for which payment has not been made by the due date. These debts are made-up of contractors' arrears, pensions and gratuity arrears.

#### **1.2 Coverage and Scope of the Framework**

This document covers the policy guidelines and procedures for managing and settling the domestic expenditure arrears of the Gombe State Government.

The framework is guided by the guidelines of the World Bank (WB) and the Federal Government of Nigeria Debt Management Office (DMO) as well as established best practices in the settlement of State's domestic expenditure arrears for the establishment of Domestic Arrears Committee (DAC).

#### **1.3 Purpose of the Framework Document**

This framework document is aimed at providing practical guidance in the identification, recording and management of domestic expenditure arrears in the State. This will assist the State to establish framework and systems to reduce the State's stock of domestic expenditure arrears based on the growth, development and poverty reduction; maintain public debt sustainability; strengthen the existing legal, institutional and policy frameworks for efficient debt management in the State.

#### **1.4 Users of the Framework Document**

The primary user of this framework is the Gombe State Government. Others are the Staff of MDAs such as the Ministry of Finance and Budget and Economic Planning; Debt Management Agency; Office of the State's Accountant-General; Office of the State's Auditor-General; State Bureau of Statistics, State Internal Revenue Service's etc., and those who may be involved in debt management and settlement of arrears will find it useful.

The framework should be used in conjunction with public finance laws, regulations, accounting system and procedural manuals in the State.

### 1.5 Presentation of the State’s Domestic Expenditure Arrears

The breakdown of Gombe State Domestic Expenditure Arrears as at 31<sup>st</sup> December, 2021 is shown below:

**Table 1: Breakdown of Gombe State Domestic Expenditure Arrears as at 31<sup>st</sup> December, 2021**

SN	ARREARS SPECIFICATION	Figure
1	Aggregate Amount of Contractors’ Arrears	17,449,417,363.18
2	Aggregate Amount of Pension and Gratuity Arrears	11,371,804,884.99
3	Aggregate Amount of Salary Arrears and other Staff Claims	-
4	Other types of domestic expenditure arrears	-
	<b>Total Domestic Expenditure Arrears</b>	<b>28,821,222,248.17</b>

**Source: Gombe State Debt Management Agency 2021**

### 1.6 Description of the State’s Policy on Arrears

Gombe State’s policy on arrears is aimed at controlling the accumulation of arrears whilst ensuring measures that reduce existing arrears are implemented.

In light of the above, the following measures will be adopted in this regard:

- i. Diligently supervise the implementation of the Treasury Single Account (TSA) to effectively manage cash flows, ensuring that all payments are centralized within the State's treasury. This measure prevents financial losses and bolsters the State's internal revenue generation.
- ii. Establish an enhanced and integrated approach to cash and debt management, guaranteeing sufficient liquidity to fulfill financial obligations as they arise. This involves managing both incoming and outgoing cash flows within the State.
- iii. Modernize the financial Management Information System utilized by the State's government, bringing it to a higher level of functionality and efficiency.
- iv. Improve the credibility of the State's budget by creating a realistic expenditure plan based on projected revenues, robust assumptions, and forecasts outlined in the State's fiscal frameworks.
- v. Strengthen the State's legal and regulatory structure. This involves outlining clear payment terms, reporting prerequisites, and necessary controls during various budget stages such as authorization, commitment, and disbursement. Appropriate provisions should be in place for potential breaches and their consequences.
- vi. Conduct regular meetings of the Liquidity Management Committee (LMC) to provide guidance for government decisions concerning budgeting and the release of funds.

## CHAPTER TWO

### PLANNED ACTIONS FOR SETTLEMENT OF GOMBE STATE DOMESTIC EXPENDITURE ARREARS

The proposed measures for addressing the outstanding domestic expenditures of the State are anchored in the principles that underlie the strategy for clearing these arrears, as well as the sequential stages involved in this strategy: assessment, validation, categorization, ranking, and settlement.

#### **2.1 Fundamental Principles Guiding the Arrears Clearance Strategy:**

The guiding principles of the arrear's clearance strategy are delineated as follows:

- i. **Financial Accountability:** The State's Debt Management Agency has accurately documented all unsettled payments incurred by the State government.
- ii. **Transparency:** Clear criteria for prioritizing the clearance of arrears should be defined and adhered to consistently.
- iii. **Responsibility:** The State Debt Management Agency has taken responsibility for accounting for outstanding debts slated for clearance, and the State has adopted measures to curtail the accrual of new arrears.
- iv. **Viability:** The present government's successful settlement of contractors' arrears and pension liabilities demonstrates the State's sustainable fiscal position.

These principles are to be actualized through the subsequent steps: assessment, validation, categorization, ranking, and settlement.

#### **2.2 Key Actions for Each Stage of the Arrears Clearance Strategy:**

The pivotal actions to be carried out during the assessment, validation, categorization, ranking, and settlement stages are detailed as follows:

##### **2.2.1 Assessment:**

Conducting an assessment of arrears allows the State government to comprehend the scope, composition, and age of unpaid obligations, facilitating their systematic resolution. To achieve this, the government will compile a comprehensive database of apparent claims and institute a regular reporting framework. This database should provide adequate information for the proper classification and categorization of arrears, promoting accurate evaluation. With insights from this database, an evaluation of the arrears' types, maturity, and responsible agencies will be conducted, enabling the identification of root causes and the formulation of tailored corrective actions.

### **2.2.2 Validation:**

The accumulated data on outstanding arrears must undergo a validation process to verify their authenticity, thus preventing payment of fraudulent claims. Validation encompasses several facets:

- Collection of unpaid invoices and validation of their legitimacy.
- Scrutiny of salary arrears and payroll records.
- Verification of major construction and investment project details, such as valuation certificates or completion documentation.
- Cross-referencing invoices and supporting records to ensure accuracy.
- Collaboration with the Local Government ministry to gather arrears data from local governments.

The arrears database should include comprehensive claim categorization, provisions for claimant appeals, and the rejection of invalid claims.

The validation process follows these steps:

Step 1: Gathering unpaid invoices, with initial responsibility resting on the Chief Financial Officer.

Step 2: Subjecting arrears to tests for validity, value, and debt maturity.

Step 3: Categorizing claims as valid, contestable, or rejected based on this validity review.

Step 4: Inviting holders of contestable claims to provide further substantiation or referring their claims for adjudication.

Step 5: Formally notifying rejected claimants and maintaining detailed records of decisions to preempt potential legal actions.

Validation criteria include:

- Legal legitimacy of the payable amount.
- Evidence of goods/services receipt.
- Rigorous examination of invoices and accompanying records.

Entitlement arrears are calculated by relevant Ministries or Agencies and communicated to the Ministry of Finance.

### **2.2.3 Categorization:**

Data on validated and certified arrears from the State's Ministry of Finance should be meticulously analyzed and categorized, with a focus on mitigating or resolving outstanding obligations. All payable accounts should be categorized as liabilities, distinguishing between domestic and foreign liabilities.

#### **2.2.4 Ranking Arrears for Settlement:**

Prioritizing the settlement of arrears is to be predicated on transparent criteria aligned with the nature of the arrears. Considerations for prioritization encompass:

- i. Socio-Economic Impact: Sensitivity to economically vulnerable sectors like low-income worker salaries, pensions, and social benefits.
- ii. Debt Tenure: Older obligations receive precedence over newer ones.
- iii. Cost: Arrears incurring interest and penalties are prioritized.
- iv. Risk: Arrears that could prompt legal action, disrupt essential services, or escalate future supply costs are prioritized.
- v. Currency: Foreign currency debt payments are prioritized if domestic currency devalues significantly.
- vi. Creditor: Clearing intra-government debts is prioritized, as it can be managed administratively through the annual budget.
- vii. Value: Debts are ranked by value, with lower-value debts settled before higher-value ones.

#### **2.2.5 Settlement:**

Initiating the settlement of obligations follows the establishment and publication of clear criteria for prioritizing arrears. A dedicated Arrears Clearance Committee ensures consistent application of the framework's principles, overseeing proper payment alignment with the established prioritization criteria. Comprising relevant department representatives, this committee receives spending unit reports and periodically reports to the Ministry of Finance on arrears payment performance.

Gombe State's Medium-Term Expenditure Framework (MTEF) allocates funds for arrears repayment in line with the priorities of the repayment strategy, supported by a list of verified creditors. Entities must provide this information to the Ministry of Finance for budget preparation, medium-term expenditure framework formulation, performance monitoring, budget release, and verification during payment.

To ensure all arrears are addressed, the Ministry of Finance maintains a distinct record of outstanding arrears, allowing for proper budget allocation in subsequent years. This ensures payment centralization based on the agreed framework and State government schedule, funded through sources including statutory allocation, internally generated revenue, federal government grants, and loans.

The Multi-Year Funding Plan for clearing Gombe State's domestic arrears from 2018 to 2022 adheres to the enumerated principles and prioritization procedures as shown in the table below:

**Table 2: Summary of Domestic Stock Arrears for the years 2019-2022**

SN	ARREARS TYPE	OUTSATNDING ARREARS AS AT DECEMBER 31, 2019 (STOCK)	OUTSATNDING ARREARS AS AT DECEMBER 31, 2020 (STOCK)	OUTSATNDING ARREARS AS AT DECEMBER 31, 2021 (STOCK)	OUTSATNDING ARREARS AS AT DECEMBER 31, 2022 (STOCK)
	<i>In Naira</i>				
1	<b>CONTRACTORS' ARREARS</b>	19,731,522,550.53	15,732,025,860.43	3,566,643,921.21	17,449,417,363.18
2	<b>PENSION AND GRATUITY ARREARS</b>	8,702,835,722.83	10,663,313,047.34	10,466,046,415.92	11,371,804,884.99
3	<b>SALARY ARREARS AND OTHER STAFF CLAIMS ARREARS</b>	-	-	-	-
	<b>TOTAL OF ALL ARREARS TYPES</b>	<b>28,434,358,273.36</b>	<b>26,395,338,907.77</b>	<b>24,032,690,337.13</b>	<b>28,821,222,248.17</b>

**Source: Gombe State Debt Management Agency 2022**

## CHAPTER THREE

### PRIORITIZATION CRITERIA FOR ARREARS

#### 3.1 Arrears Priority Criteria within ACF Implementation

The prioritization of arrears clearance is underpinned by transparent criteria, guided by the nature of the arrears. The following measures have been instituted:

- i. A portion of Internally Generated Revenue (IGR), Federal Transfers, and Grants are allocated by the State for domestic expenditure arrear settlements.
- ii. A comprehensive cash flow projection is prepared to provide guidance and restraint on commitments.
- iii. A realistic budget is formulated and managed, facilitating a comparison between current-year performance and the preceding year's figures. Notable discrepancies between actual revenue and budgeted amounts signify potential budget impracticality.
- iv. Available funds are proportionally assigned to various arrear types based on their contribution to the total outstanding arrears.
- v. The Debt Management Office (DMO) generates a comprehensive domestic debt report, encompassing domestic expenditure arrears, and suggests viable funding avenues, such as IGR and Federal Transfers.
- vi. A Domestic Arrears Stock Report is generated, detailing categories of arrears. This report includes year-end outstanding arrears, arrears incurred and settled within the year, and the year-end balance. A percentage change, aiming for at least a 5% reduction from the previous year, is indicated.
- vii. Regular evaluations ensure consistency within the State's arrears clearance framework. Any inconsistencies are explained.

#### 3.2 Prioritization Criteria/Approaches for Arrear Types

Criterion 1: Fund allocation aligns with the urgency of outstanding arrear types, focusing on:

- i. Salary arrears of State Civil Servants
- ii. Pension and Gratuity

Criterion 2: Sequential resolution of arrears based on relative importance:

- i. Contractors' arrears
- ii. Domestic and external loan arrears

#### 3.3 Prioritization within Arrear Types with Rationale

The prioritization of clearing the Domestic Expenditure Arrears Stock is detailed in Table 3 below:

**Table 3: Prioritization of Stock of Domestic Expenditure Arrears Rationale**

SN	Criteria/Approaches	Rationale	Required Data
<b>1</b>	<b>Contractors Arrears</b>		
	Ongoing Works First	Ensure Ongoing works are completed	Status of Project Construction
	Largest Value First	Largest Injury in terms of arrears value is addressed first	Value of Outstanding Arrears
	Smallest Value First	Allows many individual arrears to be paid immediately and focus funds on small firms that may be vulnerable to cash flow problems (assuming most small arrears are owed to small contractors)	Value of Outstanding Arrears
	Oldest First	A creditor who has been waiting longest is paid first	Date missed payment was due
	Subject to penalties first	Paying arrears that bear penalties for late payment reduces the cost to STATE	Contract terms whether provided for late penalties
<b>2</b>	<b>Salaries</b>		
	Oldest first	Largest injury (in terms of delay) is addressed first	Date missed payment was due
	Smallest first	Allows many individual arrears to be paid immediately and focuses funds on lowest-paid workers that may be vulnerable to cash flow problems	Value of outstanding arrears
	Equal Percent to all	All Staff receive something regardless of when salary payment was first missed or level of salary	The amount owed to staff
<b>3</b>	<b>Pension and Gratuities</b>		
	Oldest First	Largest injury (in terms of delay) is addressed first	Date missed payment was due
	Equal Percent to all	All pensioners receive something, regardless of when they retired	The amount owed to each pensioner

**Source: Gombe State Debt Management Agency, 2022**

## CHAPTER FOUR

### POLICIES AND ACTIONS TAKEN TO REDUCE THE STOCK OF DOMESTIC EXPENDITURE ARREARS

#### 4.1 Introduction

The Gombe State's Policy on Arrears is aimed at controlling the accumulation of arrears whilst ensuring measures that clear existing arrears.

#### 4.2 Strategies Implemented to Reduce Outstanding Domestic Expenditures:

- i. Reinforce Legal and Regulatory Framework: Establish a comprehensive framework that outlines payment terms, arrears conditions, reporting prerequisites, and necessary controls at various budget stages such as authorization, commitment, and disbursement. It should also include provisions for enforcing penalties in case of breaches.
- ii. Enhance Budget Credibility and Realism: Develop a state budget that presents a practical expenditure plan grounded in conservative revenue estimates, robust assumptions, and forecasts within the fiscal frameworks.
- iii. Improve Financial Reporting and Accounting: Enable effective arrears clearance through accurate, timely, and dependable data about their size, composition, and implications via government accounting systems that acknowledge expenditure commitments, liabilities, and payments.
- iv. Strengthen Commitment Controls: Implement rigorous commitment controls to align commitments with approved budget allocations and available funds.
- v. Facilitate Integrated Cash and Debt Management: Ensure liquidity to meet immediate financial obligations by accurately predicting and managing short-term cash inflows and outflows.
- vi. Enhance State-Owned Enterprise Oversight: Establish governance frameworks that demand timely bill payments, regular monitoring, and liability reporting from state-owned enterprises to reduce hidden contingent liabilities.
- vii. Implement Treasury Single Account (TSA): Centralize cash flows and payments within the State Treasury using a TSA to prevent arrears due to administrative obstacles.
- viii. Upgrade Financial Management Information Systems: Transition to a robust system capable of controlling budget execution stages, encompassing budget fund releases, commitment tracking, purchase order creation, invoice verification, and payment processing.
- ix. Conduct Regular Liquidity Management Committee (LMC) Meetings: Hold scheduled LMC meetings to guide government decisions regarding budgeting and fund disbursement.
- x. Deploy Technological Solutions: Utilize technology-driven solutions to control expenditures that historically contribute to arrears accumulation.

#### 4.3 State Actions in the Previous Year to Settle Existing Arrears:

##### 1. Arrears Funding:

The State Government reduces arrears through funding from various sources, including:

- i. Statutory Allocation
- ii. Internally Generated Revenue
- iii. Federal Government Grants

iv. Loans

**2. Arrears Settlement:**

The Arrears Clearance Committee ensures adherence to principles during arrears liquidation, making payments according to agreed prioritization criteria.

The Multi-Year Plan outlines the State's arrears clearance financial plan based on available funds for the fiscal year. Entities provide this data to the Ministry of Finance for budgeting, Medium-Term Expenditure Framework creation, performance monitoring, budget release, and verification during payment.

The Ministry of Finance maintains a record of outstanding arrears to allocate sufficient funds in subsequent annual budgets until all arrears are resolved.

**3. Payment Centralization:**

Payment responsibility for arrears is centralized to align with the agreed framework and schedule.

**4. Non-Netting Arrangements:**

Payments for arrears to the private sector are not offset against tax obligations; all payments are handled separately.

## CHAPTER FIVE

### ORGANIZATIONAL/INSTITUTIONAL ARRANGEMENT

#### 5.1 Introduction

The section encompasses the delineation of the organizational or institutional structure, defining the framework's implementation, objectives, responsibilities, specific tasks, monitoring and reporting mechanisms, committee membership, Committee Secretariat, as well as the committee's authority and jurisdiction.

#### 5.2 Outline of the Organizational/Institutional Arrangement for Framework Implementation

Within the scope of Gombe State Government, a Domestic Arrear Clearance Committee has been established as an institutional framework tasked with overseeing the entire process of arrears clearance. This committee takes charge of activities such as recording, verification, classification, reporting, prioritization, and the resolution of domestic expenditure arrears within the State.

The Arrears Clearance Committee is responsible for supervising arrears settlement to ensure consistent adherence to the framework's principles. The committee guarantees that payments are executed based on the agreed-upon prioritization criteria. Furthermore, it receives updates from expenditure units and generates regular (monthly or quarterly) reports for both the Ministry of Finance and the Governor's Office regarding entities' performance in arrears payment. These reports highlight any non-reporting expenditure units and offer recommendations for corrective actions.

#### 5.3 Objective and Responsibilities of the Arrangement

The primary role of the Committee is to provide support to the Ministry of Finance in accurately recording, verifying, and reporting domestic arrears balances across all categories.

The Committee's duties encompass, but are not confined to, the following:

- i. Implementing and periodically reviewing the State's Arrears Clearance Framework (ACF), including policies governing arrears prioritization and clearance.
- ii. Establishing explicit guidelines outlining the roles and obligations of individuals and institutions in recording and verifying domestic arrears, using agreed-upon recording templates.
- iii. Creating, maintaining, and regularly updating an accurate internal database of domestic expenditure arrears, along with a publicly accessible online version.
- iv. Overseeing the entire process of recording, verification, and reporting for domestic expenditure arrears.
- v. Ensuring meticulous classification of arrears to facilitate prioritization.

- vi. Presenting precise monthly, quarterly, and annual reports that provide an accurate representation of verified domestic arrears and the advancements in implementing the State's ACF.

#### 5.4 Specific Activities

The Committee's specific tasks encompass, but are not limited to, the following:

- i. Implementing and periodically reviewing the ACF.
- ii. Adopting and implementing records management guidelines for domestic arrears.
- iii. Adopting and implementing verification protocols for various types of domestic arrears.
- iv. Establishing a comprehensive central database for domestic arrears.
- v. Creating a publicly accessible online version of the database.
- vi. Issuing reports to end-users containing verified and valid domestic arrears information.
- vii. Producing the State Arrears Recording, Verification, and Clearance Report.

#### 5.5 Monitoring and Reporting of the Arrangement

The Committee is accountable directly to the State Governor through the esteemed Commissioner for Finance.

##### 5.5.1 Membership of the Committee

The Domestic Arrears Clearance Committee of Gombe State comprises of the following members in Table 2:

**Table 2: The membership of the Committee will be as follows**

S/N	Title/Rank	Position
1	Accountant General of the State	Chairman
2	Permanent Secretary (Ministry of Finance)	Vice Chairman
3	Permanent Secretary (Economic Planning & Development)	Member
4	Chairman, Gombe State Internal Revenue Service	Member
5	Representative of Ministry of Justice	Member
6	Chairman, Gombe State Public Procurement (Due Process)	Member
7	State Auditor General	Member
8	Permanent Secretary, Ministry for Local Government Affairs	Member
9	Director General, Debt Management Agency	Secretary

**Source: Gombe State Debt Management Office 2021**

##### 5.5.2 Committee Secretariat

The Committee shall establish a Secretariat to support its work using existing Staff or Units within the Office of the Accountant General and the State's Debt Management Agency.

##### 5.5.3 Powers and Authorities of the Committee

The Committee shall have delegated authority to request any and every information it requires in order to carry out its functions from the MDAs. The Committee will be able to incur

expenditures, including the engagement of professional assistance in the course of executing its role. All expenditures must be incurred through the procurement systems of the selected institution.

#### **5.5.4 Tenure of the Committee**

The Committee will operate in perpetuity and may be reconstituted on the directive of the State Executive Governor.

#### **5.6 Audit Assurance & Compliance**

- i. Adequate audit control shall be put in place to ascertain the appropriateness of payment requests, adequacy of documents submitted by contractors and establish the correct value of the amount payable.
- ii. All necessary documents must be attached for the payment request to be cleared, such as original contract papers duly signed, contractor/consultant/suppliers' registration certificate with Corporate Affairs Commission and Gombe State Public Procurement Agency, Tax certificates, Performance bond from a Commercial bank or a reputable Insurance company.
- iii. The Committee must vouch for all the documents attached to the Payment Voucher of each of the Contractor and ensure that the transaction reflects a valid charge on the public fund for which commensurate goods and/or services have been received by the Government, stamped and signed before payment can be made or uploaded into the expenditure arrears database.
- iv. Categorization of claims. Each claim should be categorized as follows:
  - a) Valid – Those for which adequate documentation exists to recognize a government liability. Such will be stamped and passed for inclusion in the payment schedule at STO.
  - b) Contestable – Those for which incomplete documentation has been provided and/or items under litigation. Such PVs are queried and labeled with those issues to work on. The PV is however sent back to the Auditors after necessary corrections are done.
  - c) Rejected – Those for which legitimate documentation has not been presented. Such PVs are also queried and labeled with all the findings.
- v. The arrears database as well as the verification process shall be published online with references to all attached documents and details about the website and how to access it shall be made public.
- vi. Contractors' reactions to the categorization shall be looked into and necessary adjustment and re-categorization shall be done.

#### **5.7 Variation in Value of Contract**

- i. All variations must be in agreement with the Terms and Conditions of the value of a contract to be altered, there must be a genuine reason and this must be approved by the appropriate authority e.g. Executive Governor, Deputy Governor and Honorable Commissioner.
- ii. The Project Monitoring Department of the Ministry of Finance must sign off.
- iii. Contract variations must be included in the domestic arrears database and taken into consideration when payments are made. Proper budgetary provision must be available for the payment.

### 5.8 Stage Payment

- i. Stage payment must be evaluated and reviewed to ascertain that funds are not released to jobs/contracts that were not executed.
- ii. There must be sign-off from the Projects Monitoring department of the Ministry of Economic Planning and Budget at every stage completed and to which payment is to be made.

### 5.9 Publication of State's Arrears Clearance Framework

Outstanding contractors, consultants and suppliers of N20million and above from all the MDAs that are on the Creditors database are to be published by DMA on the MOF official website. Full details of all the creditors that fall within this class shall be provided such as the contract sum, the job/contract executed, the sector that the contract belong and the executing MDA

### 5.10 Final Payment

The State Domestic Arrears Stock shall be updated on regular basis (Monthly). This will show flow in the arrears reporting. As newly incurred arrears increased the stock balance likewise arrears settled reduces the stock of the domestic arrears. This will ensure the integrity of the database and avoid duplication of payments



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**MAL. MUHAMMAD GAMBO MAGAJI**  
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