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

2020 Annual Performance Assessment (APA) Report

BENUE STATE

By:

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

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1. Executive Summary

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

Table 1 (below) reflects the outcome of the 2020 APA for Benue State and shows areas where the State was able to achieve results. Benue State achieved 9 (Nine) DLRs out of 15 DLRs applicable to the 2020 APA out of which 3 (Three) DLRs were achieved in 2019.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management	Achieved	
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%		Budget deviation was 20.57%
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2021 budget.	Achieved	
	DLR 2.2: Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms	Achieved	
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 70 percent of state government finances.		The TSA covered 64.5% of 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	Previously Achieved in 2019 APA	
	DLR 4.2: 2020-2019 annual nominal IGR growth rate meets target: i.e. 2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection		The IGR declined by 39%
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll	Achieved	
	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed	Achieved	
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	Previously Achieved in 2019 APA	
	DLR 6.2: (Basic Target) Framework contract for e-Procurement signed by 31 December 2020 AND Publication of contract award information above the threshold set out in the State's		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	procurement law/regulation every month in OCDS format on the state website or online portal if available. DLR. 6.2 (Stretch Target) Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs **AND** *For those MDAs without e-procurement:* Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available		
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.	Previously Achieved in 2019 APA	
	DLR 7.2: Quarterly state debt reports for Q2, Q3, and Q4 accepted by the DMO on average two months or less after the end of the quarter in 2020 **AND** Annual State debt sustainability analysis published by end of December 2020		
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place. Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly accessible database, with verification process in place **AND** at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock of arrears below 5 billion.		The percentage increase in the verified stock of domestic arrears was 48.6%
DLI 9: Improved debt sustainability	Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target: Basic target: < 150%, Stretch target: < 125%.		Total Debt Stock to Revenue is 203%.

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 1.2: Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.

2. DLR 3: The State should ensure the TSA is utilised for all government financial inflows and outflows

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

4. DLR 6.2: e-Procurement should be implemented as soon as possible. Contract award information, above the set threshold, should be published online every month in OCDS format on the State's website. Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs.

5. DLR 8: A Domestic Arrears Clearance Framework (ACF) is established and an internal domestic arrears database with relevant balances is placed online through a publicly accessible portal. (***Other example recommendations are as follows*** - Domestic arrears are cleared year on year to achieve total arrears of less than N5bn as soon as possible.

6. 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 2020. To ensure a high-quality assessment, the IVA had some input/support from the Debt Management Office (DMO), to review the legislation and returns in place in this State.

2.2 Scope

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

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

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between (31/01/2022 and 04/02/2022) 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 were reported to the State and this final report takes account of the State's comments on the draft results, as shown in Section 4.

The Office of the Auditor-General for the Federation (OAuGF) and PricewaterhouseCoopers (PwC) are grateful to the State for the cooperation enjoyed during the assessment and hope the recommendations within this Report are found valuable towards improving fiscal transparency, accountability, and sustainability in the management of the public finances and resources of the State.

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	**Financial Year [2020] quarterly budget implementation reports published with Q2, Q3, and Q4 reports published on average within [4 weeks] of quarter end to enable timely budget management**		**Achieved**	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	The Quarterly Budget Implementation Reports were posted online on Q1: https://www.benueplanning.be.gov.ng/blog/7-2020-1ST-QUARTER-BUDGET-PERFORMANCE-FROM-JANUARY-MARCH.html Q2: https://www.benueplanning.be.gov.ng/blog/27-BUDGET-PERFORMANCE-2020-SECOND-QUARTER.html Q3: https://www.benueplanning.be.gov.ng/blog/47-2020-3rd-Quarter-Budget-Performance.html Q4: https://www.benueplanning.be.gov.ng/blog/60-2020-4TH-QUARTER-BUDGET-PERFORMANCE.html as follows: • Q1 - (12/05/2020) – 6 weeks (42 days) • Q2 – (28/07/2020) – 4 weeks (28 days)	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		• Q3 – (30/10/2020) – 4.28 weeks (30 days) • Q4 – (26/01/2021) – 3.7 weeks (26 days) Average days (weeks) for the online publication was computed based on the last 3 quarters, as below: $$\frac{28+30+26}{3}$$ Average = 28 days (4 weeks) We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2020, obtained and retained evidence of the timestamp of the publications.		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	From our review of the Quarterly Budget Implementation reports downloaded from the State's website (see weblinks above) we observed the following: a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures. b) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date. c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations. d) The State has amended/revised the budget.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	e) The Budget Implementation Reports showed both the approved original budget AND the approved amended budgets. 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.		
3 Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date?	Upon review of the State's Budget Performance reports, it stated the actual expenditures for each quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date.	Satisfactory	
4 Does the report state balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	Upon review of the State's Budget Performance reports, it stated the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which included debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory	
DLR 1.2	**FY [2020] deviation from total amended budget expenditure is less than 15%**	**Not Achieved**	
1 Has the State computed the difference between the Amended	The State computed the budget deviation for 2020 to be 20.57%	Unsatisfactory	The State should prepare accurate budgets and reduce

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
approved total budgeted expenditure for the fiscal/calendar year and the actual total expenditure in the fiscal/calendar year, divided by the Amended approved total budgeted expenditure and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 15%	The IVA computed the budget deviation for this APA year. See the computation below: <table><tr><td></td><td>Total Amended Budget</td><td>Actual</td></tr><tr><td>Capital (pg1)</td><td>40,483,704,395.00</td><td>8,400,102,065.74</td></tr><tr><td>Rec. Exp (pg1)</td><td>68,338,978,787.00</td><td>78,038,803,464.44</td></tr><tr><td>Total</td><td>108,822,683,181.00</td><td>86,438,905,530.18</td></tr></table> $$\frac{₦108,822,683,181.00 - ₦86,438,905,530.18}{₦108,822,683,181.00} \times 100$$ $$= \mathbf{20.57\%}$$ The budget performance deviation is 20.57% **Source**: 2020 Audited Financial Statement Page 10 and Approved Budget and Actual Expenditure or Appropriation Law Page 1.		the budget deviation to a level below the limits set for this result.
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process			
DLR 2.1	**Citizens' inputs from formal public consultations are published online, along with the proposed FY [2021] budget**	**Achieved**	

1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	**The documents obtained and reviewed apart from the attendance register, minutes of the meeting, a video clip of the event include the following:**
		  I. Minutes and Report
		  II. Draft Budget 2021 to HOA
		  III. 2021 Budget Proposal HOA
		  IV. Report of Public Consultations On The Revised 2020 Budget Estimates
		  V. Updated Citizen Budget Template Jan 2020
		  VI. Benue State Citizen's Budget 2020
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		a) The LGA that were in attendance include the following: (i) Buruku LGA (ii) Gbiko LGA (iii) Guma LGA (iv) Otukpu LGA (v) Katsina-Ala LGA and (vi) Gwer LGA.		
		b) The CSOs representatives that attended the town hall meeting include the following: (i) Open Government Partnership. (ii)Civil Society Organization Benue State (iii) Nigeria Union of Journalist and (iv) Nigeria Bar Association		
		c) The sources of information from which IVA conclusions were drawn include the following: minutes, attendance list, pictures and video.		
		d) The date and venue of the consultation on the budget proposal was on the 7th of September, 2020 at the precious Conference Centre opposite Benue Hotels Old GRA, Makurdi		
		e) 10 (Ten) numbers of attendees were called to confirm their attendance at the public consultation.		
		f) The budget was drafted on the 30th of October, 2020 and transmitted on the 5th of November, 2020.		
		g) IVA Compared the dates of the consultation and the date of the draft budget and observed that the Consultation was done on the 7th of September, 2020 before the draft budget was prepared on the 30th of October, 2020		
		h) The publication of the proposed budget was done on the 30th of January, 2021 before the deadline of 31 January 2021.		
		i) The weblink for the publication of the proposed budget.is: https://www.mofep.be.gov.ng/viewyearlybudget/2021		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2021 to enable citizens to find the inputs easily?	a) The name of the representative of CSO that co-signed the Minutes is Mr. Mom Lazarus of Open Government Partnership (OGP) and a copy of the signed minutes has been retained on file b) The title and date of the Minutes is Minutes and Report of the Benue State Town Hall Meeting and Citizens Engagement for The Preparation of 2021 Budget Held on The 7th September 2020 at Precious Conference Centre Opposite Benue Hotels Old GRA Makurdi. c) The signatories of the meeting minutes represent i) State Ministry of Finance (Director Budget) and ii) Open Government Partnership (OGP) d) The weblink to the publication is. https://www.mofep.be.gov.ng/viewcitizeninput/2021 e) The publication was done on the 29th of January 2021 before the deadline of 31 January 2021. A screen shot of the backend has obtained from the State and retained in the file.	Satisfactory	
DLR 2.2	**Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms**		**Achieved**	
1.	Did the state conduct dissemination events to explain amendments to the FY2020 State budget and was adequate evidence of the events published online and by the due date?	a) IVA has reviewed all required documents, Minutes, and pictures with a list of attendees (with names, organizations, email addresses). b) The Amended Budget and the evidence of the dissemination events have been downloaded by IVA. The soft copies have been saved to file	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	c) The dissemination was done physically on the 3rd of July, 2020. d) The evidence of the dissemination event was published online on the 31st of July, 2020, which was well before September 30, 2020. And Soft copies were retained on file e) IVA confirmed that the evidence of the dissemination event was published in the same location along with the Amended FY20 budget. See web link on item g below. f) The date of publication of the evidence of the dissemination events was on the 31st of July, 2020. The evidence obtained to confirm the dates of online publication is screenshot of public consultation of revised budget, which has been saved to file. g) The weblink of publication is: https://www.benueplanning.be.gov.ng/budgets/ https://drive.google.com/file/d/1gcFBYGbK4j6vQd2JV6WCsTtt0mRSMrOn/view		
2 Has the State published online, on the State website(s) a *Citizens Budget based on the Amended Budget (2020)* not later than 30 September 2020?	a) The Citizens budget based on the Amended Budget (2020) was published before the due date via https://www.benueplanning.be.gov.ng/blog/43-BENUE-STATE-2020-CITIZENS-BUDGET.html This was published on 08/09/2020. A comparison of the Amended Budget 2020 with the Revised Citizens Budget was done by IVA and there are no significant areas of discrepancies. b) IVA has compared the Citizens Budget with the suggested format provided to the states and it is in order.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		IVA has looked out for the following information in the State's Citizens budget and can confirm that: I. The annual amended budget/citizens budget is Simple and self-explanatory. II. The sources of revenues were stated on page 9. III. The sources of domestic and foreign grants, domestic loans, and other financing sources were stated on pages 12-14. IV. Total expenditure by economic classifications was stated on page 16.		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	a) The Citizens Budget included an explanation of the key changes between the Original FY20 Budget and the Amended Budget on pages 23 through 38. b) The Citizens Budget did include Data on reallocations and adjusted spending priorities. See page 18. In conclusion, The IVA confirmed that the amended FY20 State Budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.	Satisfactory	
4	Does the State website have functional feedback and response online mechanisms?	a) The State has established a functional feedback and response online mechanism on its website. b) The State operates an interactive Citizens feedback mechanism on its website. c) The State's feedback mechanism provides at a minimum:	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		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 not available. d) A walk-through of the test was conducted to ascertain the functionality of the feedback mechanism. The IVA sent a message using the Benue Citizens Budget Feedback Form and State responded with an acknowledgement message to confirm receipt of the message. e) A demonstration was done by the State Ministry of Finance to provide further evidence on how the State has responded to feedback submitted online. The processes explained were as follows: 1. All responses are sent to the individual citizen's mailbox that is linked to our Google Form Citizen Feedback Mechanism. 2. We have a WhatsApp account that citizens use mostly; +2348145897098 and 3. bspcbudget2020@gmail.com The screenshot obtained have been saved to file. f) The State's feedback mechanism is functional. g) The weblink(s): https://www.mofep.be.gov.ng/contact		
DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	**Improved cash management and reduced revenue leakages through the implementation of State TSA**		**Not Achieved**	
1	Has the State established a functional State-level TSA?	a. The State has established a functional State-level TSA. b. The State operates multiple accounts.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		• IGR lead Account: Bank Name: Fidelity Bank Account Number: 5030084805 • FAAC Account: (TSA) United Bank for Africa Plc Account Number: 1007223870 • VAT Account: Access Bank Account Number: 0811374839		
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.	The State has a cash management strategy a) The name of the document is "Approved Cash Management Strategy". b) The Strategy was produced in 2018 and the document was signed by the Director of Treasury Operations, Accountant General, Permanent Secretary Ministry of Finance and Economic Planning and His Excellency the Executive Governor of Benue State. c) The strategy includes the process through which the State Ministry of Finance or Economic and Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds as stated in paragraph 5 (Instrument of Cash Management Strategy). d) Sweeps are done daily from the collecting banks to the pool accounts (UBA and Fidelity bank) monitored on an electronic dashboard in BIRS. Then sweeps from the pool accounts to IGR lead account are done monthly. The State clarified that the IGR lead account serves to repay an existing loan facility from Fidelity Bank, and as part of the lending agreement. The State provided evidence of an irrevocable standing payment	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		order (ISPO) arrangement to this effect. The State's policy on sweeping of balances from other collecting banks is clearly spelt out in paragraph 12.4- Transit Accounts, of the cash management strategy which stipulates that " For Internally Generated Revenue collections only and control by BIRS only to be swept to CRA on a daily basis and thereafter CRF - TSA on a monthly basis. e) There is evidence of implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds by checking the existence of cash commitments and requirements forecasts monthly as stated in the cash management strategy. Paragraph 5.2		
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	The State has a computer application where the State can view the cash balances in the bank account(s). a) The computer application name is Bank Account Monitoring System (BAMS), b) The name of the producer of the application is Nigeria Interbank Settlement System (NIBSS). c) It is in line with the approved cash management strategy. Paragraph 10.1 d) The App was deployed on the 29th of May, 2019.	Satisfactory	

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	a) The Revenue generating MDA's visited are:
		   I. Ministry of Health
		   II. Ministry of Education
		   III. Ministry of Works and Transport
		
		 The results of the tests performed on each MDA through interviews revealed:
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
brought into the consolidated revenue account as part of the TSA.	i. Ministry of Health - revenue currently being collected by the Ministry are Registration and Renewal of health facilities, other revenues are collected directly by BIRS. For revenues collected by the Ministry, an Officer of the BIRS is stationed at the Ministry who collects payment through the E -bills platform from the fee payer using a POS and a receipt is issued to him/her as evidence of payment. The Ministry maintains an account for its expenditures only, i.e. monies (Allocations), which come into the account from TSA for running expenses. A questionnaire was administered by the IVA. Documents like revenue collection analysis, a receipt for revenue payment were obtained and filed. Ii. Ministry of Education - revenue currently being collected by the Ministry is WAEC/NECO Centre Registration fees, other revenues are collected directly by BIRS. For revenues collected by the Ministry, an officer of the BIRS is stationed at the Ministry who collects payment through the E -bills platform from the fee payer using POS and a receipt is issued to him/her as evidence of payment. The Ministry maintains an account for expenditures only, i.e monies (allocated) come into the Account from TSA for running expenses. A questionnaire was administered by the IVA. Documents like revenue receipts, payments and evidence of remittances were obtained and filed.		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	Iii. Ministry of Works and Transport - no revenue is currently collected by the Ministry. A questionnaire was administered and completed by the Ministry. b) The details of the State TSA Account: • Account Name: Benue State Government FAAC/Treasury Single • Bank Name: United Bank for Africa Plc • Account Number: 1007223870 c) Not all Government monies goes through the Account. d) Not all Government monies sit in other revenue collecting banks. e) The TSA bank Statement was obtained.		
5 Does the TSA cover a minimum of 70% of the State Government's finances?	The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cash Flow Statement for the year ended 2020. See the computation below: |	Total Inflows (₦)	Total Outflows (₦)
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TSA Bank Statement	82,265,060,749.77	83,605,968,849.63
Government Finances*	98,350,216,099.20	78,138,654,587.88
Percentage	84%	107% | The average is percentage computation is: $$\frac{84\% + 107\%}{2}$$ **= 95%**	Unsatisfactory	*The State should ensure the TSA is utilised for all government financial inflows and outflows*

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	Having observed the reversal entries in the TSA Bank Statements, the IVA recalculated the inflows and outflows using the spotted items total which were subtracted to establish the adjusted figures as stated below: Total Inflow: ₦82,265,060,749.77 Total Outflow: ₦83,605,968,849.63 Total Reversal/Circular Entries: ₦ 26,908,976,587.26 Adjusted Inflow: ₦ 56,696,992,262.37 Adjusted Outflow: ₦ 55,356,084,162.51 We excluded all inflows that are questionable for the purpose of our calculations, i.e. all inflows that are matched by an outflow within a very short period, and are not from external sources such as the FAAC distributions. Inflows marked as coming in from a BNSG TSA Account – indicates it is a circular transfer within the same TSA system/Government Finances. The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cash Flow Statement for the year ended 2020. See the computation below: <table><tr><th></th><th>Total Inflows (₦)</th><th>Total Outflows (₦)</th></tr><tr><td>TSA Bank Statement</td><td>56,696,992,262.37</td><td>55,356,084,162.51</td></tr><tr><td>Government Finances*</td><td>98,350,216,099.20</td><td>78,138,654,587.88</td></tr><tr><td>Percentage</td><td>58%</td><td>71%</td></tr></table> The average is percentage computation is:		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$$\frac{58\% + 71\%}{2}$$ **= 64.5%** The TSA covered 64.5% of the State's finances. *Sources: 2020 Audited Financial Statement (Cash Flow Statement) Page 10 and the TSA Statement from United Bank for Africa for the period January to December 2020.		
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	**State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published**		**Previously Achieved in 2019 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 2019 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	Previously Achieved in 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	and non-tax) collection and accounting in the State?			
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	Previously Achieved in 2019 APA		
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	Previously Achieved in 2019 APA		
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	Previously Achieved in 2019 APA		
DLR 4.2	**2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection**		**Not Achieved**	
1	Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets? **Basic Target:** N/A **Stretch Target:** equal to or higher than the 2019 nominal IGR collection	a. The accounting basis used for revenue reporting in 2019 and 2020 from the Audited Financial Statements is cash basis. b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below: REPORTING TEMPLATE: OPTION B ₦ ₦ % GROWTH Item 2019 2020	Unsatisfactory	The State should ensure significant year-on-year improvements in their IGR collection.

Disbursement Linked Indicators (DLIs) and Tests	Findings				Conclusion	Recommendations
	1. Reported IGR in AFS (Before Adjustments)	17,179,638,194	10,463,674,281	39%		
	2. INVALID items to be deducted IF reported as part of IGR	-	-			
	Interest Earned	39,157,281	2,267,199			
	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)	17,140,480,913	10,461,407,082	-39%		

*Please Unpack the Miscellaneous from the notes to the Account

$$\frac{₦10,461,407,082 - ₦17,140,480,913}{₦17,140,480,913} \times 100$$
$$= -39\%$$

There is a decline in growth by 39%

Source: 2020 Audited Financial Statement Page 10

DLI 5: Biometric Registration and Bank Verification Number (BVN) **Used to reduce Payroll Fraud**						
DLR 5.1	**Biometric capture of at least [90] percent of current civil servants and pensioners completed and linked to payroll, and identified**				**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	ghost workers taken off the payroll			
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of the current civil servants and pensioners on the State payroll?	The State commenced the Biometric data capture of the civil servant and pensioners on 26th October, 2015 and completed it on 31st October, 2020. a) The biometric data capture exercise was outsourced to Basmak Technologies b) The total number of civil servants is 15,947 c) The total number of pensioners is 9,650 d) The total number of staff on the State Nominal roll is 25,598 and that on the Payroll is 24,438 e) The total biometrics data that has been captured is 24,438 f) The document obtained to draw our conclusion is a progress report on payroll biometric page 2 and the nominal roll, the screenshots from the payroll system administrator and the IVA verified all evidence upon a visit to the State. The computation of the Biometrics Completion $$\frac{24{,}438 \times 100}{25{,}597} = 95.4\%$$ The State had captured 95.4% of the State's civil servants and pensioners on its payroll.	Satisfactory	
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	a) The State commenced and finished the linkage of the biometric data to the payroll on 31st October 2020 b) A total number of 23,996 civil servants and pensioners' biometrics data have been linked to the payroll.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		c) A total number of 415 ghost workers were detected during the biometric validation exercise.		
		d) The amount of money saved from the ghost workers detected is ₦24,218,362.9		
		e) There are in-year changes to the civil servant and pensioner payrolls (as a result of starters, leavers, deaths, etc.) that were captured during the biometric exercise.		
		f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees and deaths. The procedures in place are Internal Audit checks, i.e., the monthly salary variations from MDA are submitted to the Accountant General office for verification. This information is reviewed in line with the existing State salary and wages administration circular. If there are any infractions identified or ineligible officers identified, they are immediately suspended pending an explanation from the payroll officer. Then such names are removed from the payroll system. This is done monthly.		
		g) The documents obtained to support this conclusion is a Progress report on payroll and a biometric report on the Benue State Government Payroll Audit for the period ended 31st December 2020		
		h) There were changes to the civil servant and pensioner payrolls during the fiscal year (as a result of starters, leavers, deaths, etc.).		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		i) These changes were captured by the biometric exercise.		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a) A total number of 415 ghost workers were detected during the linkage. b) The record kept for identified ghost workers is a comprehensive list of suspended staff from payroll as a result of the application of BVN from NIBSS. This list is being updated monthly. c) These identified ghost workers were removed from the payroll on 13/12/2020 d) The payroll figure before their removal from payroll was ₦28,223,293,538.86 e) The payroll figure after they have been removed is ₦28,209,212,442.36. f) The source of this information is an extract from payroll as contained in the progress report on biometric and BVN pages 5 and 6	Satisfactory	
5.2	**Link BVN data to at least [90] percent of current civil servants and pensioners on the payroll and payroll fraud addressed**		**Achieved**	
1	Has the State linked the Bank Verification Number data to 90% of its current Civil Servants and pensioners on the State payroll?	The State commenced and completed the linkage of BVN data of the civil servant on 31st October 2020 and a) It was outsourced to Basmak technologies b) The total no of civil servants is 15,947 c) The total no of pensioners is 9,650	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		d) Mention the total no of staff on the State Nominal roll 25,598		
		e) A total no of 23,996 BVN data has been linked to the payroll.		
		f) The documents obtained to support this conclusion is a Progress report on payroll and biometric page 2. Computation of Percentage of State Civil Servants and Pensioners BVN linkage to payroll. $$\frac{23,996 \times 100}{24,438}$$ = 98 % The State has linked 98% of the State's civil servants and pensioners' BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	a) Total no of Staff with BVN data is 23,996 and staff without BVN data is 442	Satisfactory	
		b) The record kept for the identified payroll fraud is the linking of BVN to payroll		
		c) These payroll frauds were identified on 12 November 2020		
		d) The payroll figure before the fraud identification was ₦28,223,293,538.86		
		e) The payroll figure after the fraud has been dealt with and removed from further payment is ₦28,209,212,442.36.		
		f) The source of this information is an extract from payroll as contained in the progress report on biometrics and BVN on pages 5 and 6.		
DLI 6: Improved Procurement Practices for				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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**	
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 Achieved in 2019 APA	Satisfactory	.
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 Achieved in 2019 APA	Satisfactory	
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 Achieved in 2019 APA	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 6.2	**Basic Target: Framework contract for e-Procurement signed by 31 December 2020 AND Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.** **Stretch Target: Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs** **AND** **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.**		**Not Achieved**	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2020) that are above the threshold (as defined in the State procurement law or the State	a) IVA obtained a schedule of all contracts awarded during the year under assessment above the threshold (which is ₦5m as defined in the state procurement law) b) The data published is in line with the Open Contracting Data Standards (OCDS) c) The dates of publication are as follows; Jan 2020 - Sept 2020 (Before Go Live): 21st Sept. 2020.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?	While Oct 2020 - Dec 2020 (After Go Live): Each Contract has its unique date of Publication, this is because the contracts are published on the date of the award.
	
	d) The source of the publication; Jan 2020 - Sept 2020 (Before Go Live): https://benue-eprocurement.be.gov.ng/downloads.php
	Oct 2020 - Dec 2020 (After Go Live): https://benue-eprocurement.be.gov.ng/export-data-csv/index.php
	
	  I. IVA Compared what the state has published with the example of templates provided and there were no differences in content.
	  II. IVA downloaded and retained a copy of the online publication.
	  III. IVA retained a screenshot of the webpage from which the publication was downloaded.
	  IV. IVA confirmed that the awards published are for the entire year.
	
	e) The minimum contract award information that was published:
	  (i) Project name,
	  (ii) awarding institution,
	  (iii) award date,
	  (iv) name of contractor, and
	  (v) Contract amount was published.
	
	f) The items from (e) above were all published.
	g) The weblink for the data published are provided below;
	Jan 2020 - Sept 2020 (Before Go Live): https://benue-eprocurement.be.gov.ng/downloads.php		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Oct 2020 - Dec 2020 (After Go Live): https://benue-eprocurement.be.gov.ng/export-data-csv/index.php ** The contract award information is published on the state official website was accessible to the public.		
2 New	Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020?	a) The State has not signed the SaaS e-Procurement Framework Contract. b) A copy of the SaaS e-Procurement Framework Contract was not obtained since the State did not sign up to the SaaS e-procurement framework. c) However, the State has established its own E-Procurement Portal. On the 8th of January, 2019, during the SFTAS P for R Programme Steering Committee meeting, it was decided that the state Should setup her own e-procurement Portal. d) The Minutes of meeting of the SFTAS PforR Programme Steering Committee, Report on the development and implementation of e-procurement system; work completion, Application letter for the Benue-eprocurement.be.gov.ng domain name, dated 21/09/2020 and other relevant document confirming the establishment of the e-procurement portal have been obtained and saved by IVA. e) IVA also interacted with the e-procurement portal and obtained screenshot of the functionality of the portal. The requirement is to either have engaged a firm to deliver the e-procurement system by 31 Dec 2020. The other option is to have the e-procurement system in	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		place by that date. Having a procurement process undergoing in house design during the year is not one of the requirements (i.e. it does not count as a result). Accordingly, this is unsatisfactory.		
3 New	Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the 2020 results DLI is the implementation of e-Publishing/Notification module for contract notice and contract award?	a) The State has not implemented e-procurement in at least 3 MDAs (Education, Health, and Public Works). b) A walkthrough of the 5 transactions from each MDA was not done (with at least 2 categories of expenditure from goods, works, or services). c) No transactions were handled through E-procurement under the year of assessment. Lifecycle. d) IVA could not confirm whether the State has implemented the E-Publishing/Notification module for contract notice and contract award, since no transactions were handled through e-procurement under the year of assessment. e) The E-Publishing/Notification module was not effective during the year 2020. So, no evidence was obtained.	Unsatisfactory	*The State should ensure that e-procurement is implemented in all MDAs, and in at least 3 MDAs in the first instance (including Education, Health, and Public Works).*
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	**State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.**		**Previously Achieved in 2019 APA**	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal	Previously Achieved in 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?			
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 2019 APA		
3	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the core function of recording and reporting state debt?	Previously Achieved in 2019 APA		
DLR 7.2	**Quarterly state debt reports for Q2, Q3, and Q4 2020 accepted by the DMO on average two months or less after the end of the quarter in 2020 AND Annual state debt sustainability analysis published by end of December 2020**		**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2020?	a) We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows. We also computed the average period in which the reports were submitted and accepted by the DMO per the DLI requirements (i.e. Average two months or less after the end of the quarter for quarters 2, 3 & 4) as follows • Q2 submitted on 14th August 2020, 45 days, • Q3 submitted on 2nd November 2020, 33 days and • Q4 submitted on 18th January 2021, 18 days. $$\frac{45+33+18}{3}$$ Average = 32 days 4 weeks and 4 days after the quarter ended Our computation concludes on an average number of 32 days (One Month and 4 days) as the timeframe in which the SDDR were submitted and received after the 3 quarters ended	Satisfactory	
2	**Note: Have you reviewed for accuracy and completeness from the DMO:** The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the	a) The IVA has obtained the State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN and FMOF, along with all underlying data and supporting documents b) The IVA reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Benue State Debt Domestic Report along with all underlying data. c) There was a difference of ₦17,471,948,444.62 (Seventeen Billion, four hundred and seventy-one million, nine hundred and forty eight thousand,	N/A	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
DMO to cross-check the state's domestic debt figures.	four hundred and forty four naira, sixty-two kobo) between the SDEDR and the SDDR. See details below:		

SDEDR	SDDR	Variance
₦143,597,592,238.38	₦126,125,643,793.76	₦17,471,948,444.62

The IVA reviewed the DMO report and the DMO report confirmed the accuracy and completeness of the State Domestic Debt Report.

d) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State has been compared with the State Audited Financial Statement.

e) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement.

f) There were discrepancies noted during the comparison.
  i. SDDR Figure: ₦126,125,643,793.76
  ii. AFS Figure: ₦129,941,216,606.48
  iii. Difference: ₦3,815,572,812.72

g) An APA issue form has been raised to receive explanations and possible clarifications on the issue. In response, the state said "The difference of N17,504,448,539 is a result of the observation made on the ongoing State debt reconciliation between the NGF, Federal Ministry of Finance, Debt Management office Abuja and State DMO with reference letter DMO/S/DD/11/T.1/158 of 19th August 2021 herewith attached. A conclusion to the above is still being awaited."

h) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

		compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.
		i) The debt stock figures reported in the SDEDR has been compared with those of the SDDR submissions by each state
		j) There are errors and inconsistencies.
		    i. SDEDR (DMO) Figure: ₦143,597,592,238
		    ii. SDDR (State) Figure: ₦126,125,643,793.76
		    iii. Difference: ₦17,471,948,444.24
		k) An APA issue form was raised to the state highlighting the discrepancy in the values for the debt stock from the SDEDR and the SDDR. In response, the state said that "The state domestic debt stock reported to DMO Federal, excludes Contract Financing of N3,815,572,812.72 as reported in the Audited Financial Statement (2020). This category of debt (Contract Financing) is not part of the standard DMO Debt classification. Also, the exchange rate of (N381.20/$) was used in the State Debt report calculations whilst the financial statement was (N387.45/$)"		

3 New	Has the State published the State Debt Sustainability Analysis Reports (SDSAR) online by 31 December 2020?	a) IVA has confirmed that the Benue State Debt Sustainability Analysis Report has been published on the State official Website. b) The report was published on 31st December 2020 at 01:09 PM. c) The SDSAR was published by 31 December 2020. The evidence obtained to confirm the date of online publication is Timestamp. d) The weblink: https://www.mofep.be.gov.ng/viewyearlydebtreport/2020	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

4 New	Does the SDSAR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options, and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	The DMO reviewed the Benue State Debt Sustainability Analysis Report (SDSAR), it included the following:
		
		(1) Adequate presentation of medium-term budget forecasts, including:
		  (a) Presentation of MTB forecasts
		  (b) Description of assumptions underpinning the MTB forecasts
		(2) A detailed and adequate description of the debt portfolio and borrowing options, including:
		  (a) Presentation of debt and borrowing projections in the baseline scenario.
		  (b) Description of assumptions underpinning the borrowing options
		(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year.
		
		In conclusion, the SDSAR met the required criteria and is satisfactory.
		Also, the baseline scenario projections' quality has been assessed and has been found to be satisfactory. Moreover, the report considers the effects of shocks on revenue, expenditure, exchange rate and interest rate.
		The occurrence of an exchange rate/interest rate would cause the state's debt sustainability to reduce moderately
		Also, the occurrence of a revenue/expenditure shock will cause a deterioration of the state's debt sustainability
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		b) A review and comparison between the information (figures) contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State Website was done. c) There were no differences identified		
DLI 8: Improved Clearance/Reduction of Stock of				
Domestic Expenditure Arrears				
DLR 8.0	**Basic Target: Domestic arrears as of end 2019 and end 2020 are reported in an online publicly-accessible database, with a verification process in place.** **Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with a verification process in place AND at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock below 5 billion.**		**Not Achieved**	
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The state established an Arrears Clearance Framework of the (ACF). b) The IVA has obtained a copy of the ACF. c) The ACF was signed in June 2019. The ACF was signed in June 2019 reviewed and re-uploaded in 2020 and it's been implemented	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	a) The ACF was signed in June 2019 with an amendment in 2020 b) The ACF contains planned actions to settle arrears as well as a prioritization list for settling arrears. This was contained in page 8. c) The existence of the ACF was traced to online publications on the state government's website d) https://www.mofep.be.gov.ng/view-file/%2Fbudget%2F1595868529_BNSG%20ARRE ARS%20CLEARANCE%20FRAMEWORK.pdf	Satisfactory	
3	Has the ACF been published on a State official website?	a) The ACF has been published on a State official website b) We have downloaded a copy for validation c) the web link https://www.mofep.be.gov.ng/view-file/%2Fbudget%2F1595868529_BNSG%20ARRE ARS%20CLEARANCE%20FRAMEWORK.pdf and the evidence obtained to confirm the date of publication is the IT Back-end Report.	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The clearance of domestic expenditure arrears is consistent with the ACF. A summary of the tests conducted to confirm that the clearance of arrears is consistent with the ACF as well as the findings and results from each test is detailed below. Based on prioritization criteria 2, the state has determined that the oldest arrears will be cleared first. A test was performed on the pension arrears. We identified payments made in December 2020 which	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		relate to outstanding balances as at November and December 2018. A schedule of payment was obtained from the system as well as a check carried out on the payroll platform of Benue state. Based on these checks, the payments made are deemed to agree with the ACF.		

5.	Has the State established an Internal Domestic Arrears Database?	a) The State has established an Internal Domestic Arrears Database
		b) The Internal Domestic Arrears Database includes the following:
		  a. The 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 claim. The database should show the total domestic arrears stock at the end of each year.
		  b. The aggregate amount of pension and gratuity arrears.
		  c. The aggregate amount of salary arrears and other staff claims.
		  d. The aggregate amount of other types of domestic arrears
		c) A verification process is in place for the arrears in the database
		d) We confirmed through the evidence provided by the State that the State has conducted verification of arrears balances.
		e) We conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		account balances, payroll records, underlying contract data, etc. f) The State submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR).		
6	Has the State published online elements of the internal domestic arrears database for the FY **2019** and FY **2020** reported on a State official website, which constitutes the online publicly accessible arrears database?	a) The State has published online the required elements of Internal Domestic Arrears Database as at end of 2019 and 2020. b) We compared the aggregate and individual information available on the online publicly-accessible arrears database with the information in the internal domestic arrears database and verify the consistency and accuracy of the information on the online publicly-accessible arrears database. c) The website supporting the online publicly-accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online and attaching supportive evidence of 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. d) We confirmed that the online webpages include a facility for contractors with arrears (creditors) to report any omissions to the State. e) The result of the test of the facility for contractors with arrears (creditors) to report any omissions to the State works and contractors have access to confidential information upon	Unsatisfactory	The State should ensure they publish online elements of the internal domestic arrears database within the required timeline.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	request. An email was shared to test the validity and a response was received. Also, the database for collating complaints was checked to ensure the functionality works f) There are no missing items or complaints identified from our review. g) The source of information https://www.mofep.be.gov.ng/seftas However, It was not possible to see the expected online publication of the required elements. A 'State Domestic Arrears Stock Report (Yearly Debt Reports) 2020' was seen which contained the required aggregate balances but was published on 01 March 2021 (which is after the expected timeframe) Findings and conclusion The State communication with contractors is functioning in line with the test carried out and the checks that Contractors are able to communicate with the State. All relevant documents must be signed within the period in view, case in point, the SARVCR. To conclude, while all of the required documents were made available, the State needs to ensure the integrity and synergy between all relevant data sources. As such, this section is unsatisfactory. See the differences noted in the table below:		

Between SARVCR and Financial statements					
	2,011,3 34,964	32,286,13 8,138	(13,833,63 8,144)	(20,463,83 4,958)	(0)

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

Between SARVCR and Internal domestic report	(18,705, 177,140)	28,504,14 2,814	(11,193,02 3,114)	-	(1,394,05 7,440)

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
7. Does the online publication include? 1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.	The online publication includes the aggregate amount for the four types of arrears as shown The online publication did not contain the names of contractor's owed ₦20m in arrears and above. The weblink for the publication is https://mofep.be.gov.ng/seftas	Satisfactory	
8. Has the State met the following: (i) Percentage decline in the verified stock of domestic arrears at end 2020 compared to end 2019 meets target and is consistent with the state's arrears clearance framework. -Stretch target: At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion.	a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and	Unsatisfactory	The State should ensure a reduction of domestic arrears debt stock to below ₦5 billion

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
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.	confirmed it was the same as the balances stated within the SDDR and the AFS for 2020. $$\frac{51,658,955,022 - 34,762,695,065}{34,762,695,065} \times 100$$ = **48.6%** The percentage increase is **48.6%** **Source**: State internal domestic expenditure arrears database		

DLI 9: Improved Debt Sustainability			

DLR 9.0	**Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target:** **-Basic target: < [150%]** **-Stretch target: < [125%]**		**Not Achieved**	

1	Has the State met: (i) the ratio of total debt stock at end-of-year (31st December 2020) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2020)? **-Basic target:**< [150%] **-Stretch target:** < [125%]	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison. **Total Public Debt** |	Financial Statements (₦)	DMO/SDEDR Figures (₦)
Total Domestic Debts	129,941,216,606.48	143,597,592,238.37
Total External Debts	12,676,277,837.29	12,382,535,765.88
Total Public Debts	142,617,494,443.77	155,980,128,004.26 | **Total annual revenue**	Unsatisfactory	The State should reduce its debt to revenue ratio and ensure the debt is sustainable. As a general guide, debt should not be more than 125% of Revenues and should ideally be much less.
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

	₦
2020 Adjusted IGR (see DLI 4.2)	10,461,407,082.00
Gross FAAC Allocation	58,038,139,686
Grants	8,798,000,000.00
Other Revenues	2,267,199.00
Total Revenue	**77,299,813,967**

a. The state's domestic stock figure in the federal DMO State Domestic and External Debt report for 2020 is at the end of Q4 2020

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

$$\frac{₦155,980,128,004.26 *}{₦77,299,813,967} \times 100$$

=201.79%

Sources:

i. For Total Revenue 2020 Audited Financial Statement, Page 24
ii. For Total Public Debt from DMO* , SDEDR as at December 31, 2020
iii. NBS/OAGF (FAAC)
*Table 3(i) below holds a breakdown of the Total Debt.

b. The total debt stock stated in the Federal DMO State Domestic and External Debt Report is not the same as the debt stock stated in the Benue State Audited Financial Statement.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		c. The total debt stock value in the Federal DMO SDEDR is not the same as the total debt stock value in the Benue State 2020 Audited Financial Statement. An APA issue report was issued and the response from the State implied that the discrepancies are due to pending reconciliations of the value of different items in the debt report and variations in the items constituting the debt schedule submitted to the DMO and that which makes up the financial statement (The item for "Contractor Receivable financing Facility" appears in the financial statement but not the debt reports sent to the Federal DMO. d. The difference has been communicated to the state via an APA Issue form and the state has sent a response as stated above. e. The difference has been calculated in absolute value terms to be ₦13,376,546,063 and in percentage terms, it has been calculated to be $\frac{₦13,376,546,063}{₦155,980,128,004} \times 100 = 8.576\%$ The IVA used the finalised SDEDR submitted by the DMO.		

APPENDICES

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

BENUE STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,407,336,301.00
BAIL OUT (SALARIES) (SOURCE CBN)	25,109,485,584.71
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	10,280,385,163.48
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,138,765,549.00
STATE BONDS	1,562,826,353.00
COMMERCIAL BANK LOANS	-
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	1,374,656.00
INFRASTRUCTURE LOANS (CBN FACILITIES)	9,107,173,644.00
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	1,399,170,916.00
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	13,900,326,557.00
CONTRACTORS' ARREARS	11,117,759,027.00
PENSION AND GRATUITY ARREARS	30,001,503,545.00
SALARY ARREARS AND OTHER CLAIMS	10,539,692,431.00
OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	**143,565,799,727.19**
TOTAL EXTERNAL DEBT (TED)	12,382,535,766.00

TOTAL PUBLIC DEBT (TED+TDD)	155,948,335,493.19

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

TEMPLATE: OPTION A	₦
Item	2020
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	58,038,139,686
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	41,466,183,357
1.1.1 Gross statutory allocation	36,784,764,150
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	4,681,419,208
1.2 VAT	16,571,956,328
2. Internally Generated Revenues (IGR) – Adjusted	10,461,407,082
3. Grants (internal and external)	8,798,000,000
4A. Other revenues (4.1 + 4.2 + 4.3)	2,267,199
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	2,267,199
4.3 Miscellaneous	
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	77,299,813,967

4. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	NONE	
2		
3		
4		