



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

2020 Annual Performance Assessment (APA) Report

BORNO STATE

By:

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



JUNE 2022

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1. Executive Summary

The report details the outcome of the Annual Performance Assessment (APA) conducted on Borno 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 Borno State and shows areas where the State was able to achieve results. In total, Borno State achieved 14 (Fourteen) DLRs out of 15 DLRs applicable to the 2020 APA. One of the achieved DLRs was due for assessment during the 2021 APA but has been assessed early as requested by the Programme.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%		
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2021 budget.		
	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 feedback mechanisms		
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.		<ul style="list-style-type: none"> The State did not have a functional TSA The cash management strategy does not contain a cash-sweeping strategy. There was no evidence of implementation of the process in the cash management strategy to forecast cash commitments and requirements.
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		
	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	Stretch Target Met	
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		
	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
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		
	DLR 6.2: (Basic Target) Framework contract for e-Procurement signed by 31 December 2020 AND Publication of contract award information above the threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available. DLR. 6.2 (Stretch Target) Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs AND <i>For those MDAs without e-procurement:</i> Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available	Basic Target	
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.		
	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. <u>Stretch Target:</u> Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with verification process in place AND at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock of arrears below 5 billion.	Stretch target Met	
DLI 9: Improved debt sustainability	Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target: Basic target: < 150%, Stretch target: < 125%.	Basic target Met	

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

1. DLR 3.0: Develop a functional State-level TSA where all Government revenues (IGRs ad FAAC) are credited into before expenditure. Formally approve and implement a cash management strategy.

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 engaged the services of experts in Taxation, Procurement and had some input/support from the Debt Management Office (DMO) for Debt Management-related DLIs to review the returns in place for 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 requirements of the program 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 21/02/2022 and 25/02/2022 with a team of *[6 team members]* persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2020] quarterly budget implementation reports published with Q2, Q3, and Q4 reports published on average within [4 weeks] of quarter end to enable timely budget management		Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on:</p> <p>Q1 Capital: https://pfm.bo.gov.ng/wp-content/uploads/2020/05/Borno-State-2020-Q1-Capital-BPR.pdf Recurrent: https://pfm.bo.gov.ng/wp-content/uploads/2020/05/Borno-State-2020-Q1-Recurrent-BPR.pdf Q2: Capital: https://pfm.bo.gov.ng/wp-content/uploads/2020/07/Borno-State-2020-Q2-Capital-BPR.pdf Recurrent: https://pfm.bo.gov.ng/wp-content/uploads/2020/07/Borno-State-2020-Q2-Recurrent-BPR.pdf</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Q3: Capital: https://pfm.bo.gov.ng/wp-content/uploads/2021/02/2020-CAPITAL-BUDGET-3rd-Qtr.pdf Recurrent: https://pfm.bo.gov.ng/wp-content/uploads/2021/04/2020-RECURRENT-BUDGET-PERFORMANCE-3rd-Qtr.pdf</p> <p>Q4: Capital: https://pfm.bo.gov.ng/wp-content/uploads/2021/04/2020-CAPITAL-BUDGET-4th-Qtr.pdf Recurrent: https://pfm.bo.gov.ng/wp-content/uploads/2021/04/2020-RECURRENT-BUDGET-PERFORMANCE-4th-Qtr.pdf as follows:</p> <ul style="list-style-type: none"> • Q1 – (13/04/2020) – 1.85 weeks (13 days) • Q2 – (28/07/2020) - 4 weeks (28 days) • Q3 – (6/10/2020) – 0.86 weeks (6 days) • Q4 – (05/01/2021) – 0.71 weeks (5days) <p>Average days (weeks) for the online publication was computed based on the last 3 quarters, as below:</p> $\frac{13+28+6+5}{3}$ <p>Average = 17.3 days (2.47 weeks)</p> <p>Average = 2.47 weeks</p> <p>We downloaded the quarterly budget Implementation Reports for all three quarters for the year 2020, obtained and retained evidence of the timestamp of the publications.</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>However, the State should always publish a summary within its budget implementation reports in the interest of transparency.</p>		
2	<p>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.</p> <p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s website (<i>see weblinks above</i>) we observed the following:</p> <ul style="list-style-type: none"> a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures. b) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each MDA. Also, it included the cumulative expenditures for the year to date. c) The Budget Implementation Reports do include the balances against each of the revenue and expenditure appropriations. d) The State has an amended/revised budget e) The Budget Implementation Reports showed both the approved original budget AND the approved amended/revised budget. <p>The reports include the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
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.	Satisfactory													
DLR 1.2	FY [2020] deviation from total amended budget expenditure is less than 15%		Achieved													
1	Has the State computed the difference between the Amended approved total budgeted expenditure for the fiscal/calendar year and the actual total expenditure in the fiscal/calendar year, divided by the Amended approved total budgeted expenditure and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 15%	The State computed the budget deviation for 2020 to be 13.61% The IVA computed the budget deviation for this APA year. See the computation below: <table border="1" data-bbox="703 1218 1270 1429"> <thead> <tr> <th></th> <th>Total Amended Budget</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Capital Exp (pg 3 & 46)</td> <td>52,339,376,000</td> <td>39,208,799,843</td> </tr> <tr> <td>Rec. Exp (pg 35 & 45)</td> <td>56,522,972,000</td> <td>58,235,253,187</td> </tr> <tr> <td>Total</td> <td>108,862,348,000</td> <td>97,444,053,030</td> </tr> </tbody> </table>		Total Amended Budget	Actual	Capital Exp (pg 3 & 46)	52,339,376,000	39,208,799,843	Rec. Exp (pg 35 & 45)	56,522,972,000	58,235,253,187	Total	108,862,348,000	97,444,053,030	Satisfactory	
	Total Amended Budget	Actual														
Capital Exp (pg 3 & 46)	52,339,376,000	39,208,799,843														
Rec. Exp (pg 35 & 45)	56,522,972,000	58,235,253,187														
Total	108,862,348,000	97,444,053,030														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$\frac{N108,862,348,000 - N97,444,053,030}{N108,862,348,000} \times 100$ $= 10.5\%$ <p>The budget performance deviation is 10.5%</p> <p>Source: 2020 Audited Financial Statement Pg46 and 45 and Approved Budget and Actual Expenditure or Appropriation Law Pg 3 and 35</p> <p>The amended annual budget figures shown in the AFS do not differ from the signed amended budget/appropriation.</p> <p>The values in the AFS on the hard copies are the same as the online AFS.</p>		
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?	<p>a) The LGAs in attendance were Monguno, Konduga, Chibok, Gubio, Shani, Kukawa, Damboa, Marte, Hawul.</p> <p>b) The CSOs representatives are Borno State Independent Electoral Commission (BOSIEC), Association of Senior Civil Servants of Nigeria - Trade Union Congress of Nigeria. (ASCSN-TUC), Borno Community Watch (BWC)</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> c) Evidence obtained by IVA included Minutes of meetings, pictures of attendees, attendance sheet. etc d) One town hall consultation was held on 20th August 2020 at the Multi-Purpose Hall, Government House Maiduguri. e) IVA contacted a sample of 10 attendees through phone calls to confirm their attendance. f) The date of the draft budget was 9th December 2020. g) The date of the consultation is 20th August 2020 while the date of the draft budget is 9th December 2020. The consultation was done first. h) The Publication of the proposed budget was done before the deadline of 31 January 2021. i) The web link is https://pfm.bo.gov.ng/wp-content/uploads/2020/12/Borno-State-Proposed-Budget-2021.pdf 		
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?	<ul style="list-style-type: none"> a) The CSOs representative who co-signed the minutes was Comrade Bulama Abiso b) The title of the Minutes is 'Minutes of One-day Town Hall Meeting Organized by Ministry of Finance, Budget and Economic Planning in Collaboration with Borno State Citizens to Enable all Stakeholders Interact and Provide their Inputs to the 2021 Budget Process Held at Multi-Purpose Hall Government House on 20th August 2020. c) The co-signatories represented Min of Finance, Dept of Budget & Planning, Organizing Committee and Chairman Network CSOs d) The web link is https://pfm.bo.gov.ng/wp-content/uploads/2020/09/TOWN%20Hall%2020202 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		1%20Corrected%20one.pdf, https://pfm.bo.gov.ng/wp-content/uploads/2020/09/INVITATION%20CARD%20FOR%20TOWN%20HALL%202021.pdf		
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?	<ul style="list-style-type: none"> a) IVA reviewed all required documents reflecting the meeting of public consultations on the Annual Budget. b) IVA downloaded the Amended Budget evidence of the dissemination events. c) IVA confirmed that the dissemination event was done. d) The evidence of publication of the dissemination events took place before the deadline. e) IVA confirmed that the evidence of the dissemination event and the Amended FY20 budget was published in the same location. f) The date of publication was the evidence of a screenshot taken. g) The weblink of publication is https://pfm.bo.gov.ng/budgets/ 	Satisfactory	
2	Has the State published online, on the State website(s) a <i>Citizens Budget based on the Amended Budget (2020)</i> not later than 30 September 2020?	a) The Citizens budget based on the Amended Budget (2020) was published before the due date via http://pfm.bo.gov.ng/wp-content/uploads/2020/09/Revised-Citizens-Budget-2020-1.pdf accessed on (28/09/2020).	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>b) IVA compared the Amended Budget 2020 with the Citizens Budget and there were no discrepancies found.</p> <p>c) The Citizen’s budget was prepared in the format suggested to the State in the Citizen Budget User Manual and Excel Template.</p> <p>i. Simple explanation of the annual amended budget/citizens budget. The simple explanation of the annual amended budget/citizens budget can be found on page 2 of the Citizens budget (Revised)</p> <p>ii. The sources of revenues. The source of revenues can be found on pages 6 and 7.</p> <p>iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. The sources of domestic and foreign grants, domestic loans, and other financing sources can be found on pages 8,9, and 10 of the Citizens budget.</p> <p>iii. Total expenditure by economic classifications. Total expenditure by economic classifications can be found on page 13 of the citizen’s budget.</p> <p>iv. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap can be found on page 14 of the Citizens budget.</p> <p>v. Disclosure of Budget deficit (if any) and how it will be financed. The Disclosure of the Budget</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>deficit and how it be financed can be found on page 12.</p> <p>vi. Sectoral Allocation (by MDAs). Sectoral Allocation (by MDAs) can be found on page 13 of the Citizens budget.</p> <p>vii. Top Projects to be financed (at least 5). The top five projects to be financed as seen on pages 16 & 17.</p> <p>d) The minimum required information outlined above has been included.</p> <p>a) No different format was used. Hence, there were no significant differences identified.</p>		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	<p>a) The Citizens budget included an explanation of the key changes between the Original FY20 Budget and the Amended FY20 Budget.</p> <p>b) The Citizens Budget included Data on reallocations and adjusted spending priorities.</p> <p>We confirmed that the amended FY20 state budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.</p>	Satisfactory	
4	Does the State website have functional feedback and response online mechanisms?	<p>a) The State has established functional feedback and response online mechanisms on its website.</p> <p>b) The type of feedback mechanism established on the State website is a Message text box that comprises names, email addresses, phone numbers, and messages.</p> <p>c) The State's feedback mechanism provides at a minimum:</p> <p>i. Acknowledgement of receipt of comments/feedback from citizens. The State</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>feedback mechanism provides for acknowledgement of receipts of comments.</p> <p>ii. State's responses to comments/feedback. The response to comments is 'Thank you for your message. It has been sent'</p> <p>iii. Display of timeframe and the State's government contact details. The State's feedback mechanism did not display timeframe and the State's government contact details.</p> <p>d) IVA tested the feedback mechanism to ascertain its functionality by completing all the text boxes provided and sent afterward. This includes names, emails address, phone numbers, purposes, and messages.</p> <p>e) IVA requested further evidence that demonstrates the State's feedback mechanism response to the online submission and the state only provided that the feedback messages were received from citizens.</p> <p>f) IVA concluded that the feedback mechanism is functional.</p> <p>g) The weblink for the State's feedback mechanism is https://pfm.bo.gov.ng</p>		
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?	<p>a. The State has not established a functional state-level TSA.</p> <p>b. The State operates multiple accounts</p> <ul style="list-style-type: none"> IGR Main Account: BSBIRS Non-expendable Account. Zenith Bank 1011977763 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> ● FAAC Account: Borno State Govt, Central Account Zenith Bank 1010552167 ● VAT Account: Borno State Govt, Central Account Zenith Bank 1010552167 		
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>The State has a cash Management Strategy.</p> <p>c. The document name is Borno State Government Cash Management Strategy</p> <p>a) The document was signed by the Commissioner of Finance, The State Accountant-General, and assented to by the State Governor.</p> <p>b) The document includes the timeline for the preparation of the cash commitment forecast every quarter. This can be found in Chapter 2 section 2.7.</p> <p>c) The cash management strategy does not contain a cash-sweeping strategy.</p> <p>d) There was no evidence of implementation of the process in the cash management strategy to forecast cash commitments and requirements to be obtained.</p>	Unsatisfactory	The State should implement an approved cash management strategy that covers the processes through which the State can forecast cash commitments and requirements and provide reliable information on the availability of funds.
3	<p>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)?</p>	<p>The State does not have a computer application where the State can view the cash balances in the bank account.</p> <p>a) IVA was unable to get the computer application name and that of the producer since no app was created.</p> <p>b) This cannot be determined since no app was created.</p> <p>c) Deployment date cannot be determined since the State does not have the computer application.</p>	Unsatisfactory	The State should establish a cash management system that allows for a central view of cash balances in bank accounts on a single electronic dashboard and should be in line with the approved Cash Management Strategy.
4	<p>Does the TSA have one consolidated revenue treasury account for State revenues?</p> <p>Revenues collected by MDAs such</p>	<p>a) From IVA interactions and interviews conducted with the selected MDAs, IVA confirmed that MDAs collected fees, levies manually (in cash) which were paid directly into various revenue accounts</p>	Unsatisfactory	The State's TSA should have one consolidated revenue treasury account for state revenues (FAAC and IGR)

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations												
<p>as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.</p>	<p>from which the balances later swept into a centralized IGR account. From the interactions with some fee payers, it was confirmed that they paid cash into revenue accounts.</p> <p>b) The State TSA account is Borno State Govt, Central Account (Zenith Bank) 1010552167</p> <p>c) All government monies do not go through this account.</p> <p>d) Government revenue sit in other revenue collecting banks.</p> <p>e) The TSA bank statement was obtained.</p>														
<p>5 Does the TSA cover a minimum of 70% of the State Government's finances?</p>	<p>The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2020.</p> <p>See the computation below:</p> <table border="1" data-bbox="663 854 1251 1036"> <thead> <tr> <th></th> <th>Total Inflows</th> <th>Total Outflows</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>121,101,105,810.97</td> <td>118,892,337,137.22</td> </tr> <tr> <td>Government Finances*</td> <td>111,766,584,311</td> <td>97,444,053,030</td> </tr> <tr> <td>Percentage</td> <td>108%</td> <td>122%</td> </tr> </tbody> </table> <p>The average is percentage computation is:</p> $\frac{108\% + 122\%}{2} = 115\%$ <p>The TSA covered 115 % of the State's finances.</p> <p>There are more inflows and outflows going through the central account than the amounts stated in the AS 2020 Cashflow statements.</p>		Total Inflows	Total Outflows	TSA Bank Statement	121,101,105,810.97	118,892,337,137.22	Government Finances*	111,766,584,311	97,444,053,030	Percentage	108%	122%	<p>Satisfactory</p>	
	Total Inflows	Total Outflows													
TSA Bank Statement	121,101,105,810.97	118,892,337,137.22													
Government Finances*	111,766,584,311	97,444,053,030													
Percentage	108%	122%													

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>*Sources: 2020 Audited Financial Statement (Cashflow Statement) Pg 37 - 39 and the TSA Statement from (Zenith Bank) for (01/01/2020 to 31/12/2020)</p> <p>Given the above, the State should provide clarification on why there are more inflows and outflows going through the central account than the amounts stated in the AFS 2020 Cashflow statements. The State did not provide response to IVA's request.</p>		
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		Achieved	
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?	<p>a) The Borno State Internal Revenue Service (Re-Establishment, Harmonization, and Administration) Law, 2020. It assented to the law on 10th September 2020.</p> <p>b) There is only one revenue law.</p> <p>c) The revenue code contained a single revenue law.</p> <p>d) The revenue code was approved on 10th September 2020.</p> <p>e) The web link is: https://pfm.bo.gov.ng/wp-content/uploads/2022/02/Borno-State-Internal-Revenue-Service-Law-2020.pdf</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>f) The code included all State IGR sources and the LGs IGR sources (falling under the State)</p> <p>g) The consolidated revenue code included the rate chargeable for each IGR source</p>		
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) or the State Internal Revenue Service (SIRS) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?	<p>a) The results of the Team’s review of the revenue code with relevant sections are:</p> <p>S.14(1)(e) The Service shall have powers to administer all taxes, levies, and any other revenue including those accruing to the Local Governments as may be consented in a memorandum of understanding.</p> <p>S.15(4) Notwithstanding the provision of any other Law in the State, the Service shall have sole and exclusive powers to control, administer, impose and collect the different taxes, levies, and all revenues within the State as provided in this Law.</p> <p>S.159(2) Any Ministry, Department or Agency which immediately before the commencement of this Law, is vested with the power by any Law or instrument to administer or collect any tax, non-tax revenue or levies imposed by and accruable to the State or any Local Government under Schedules 3 and 4 to this Law, shall cease to exercise the power and the power to administer and collect the taxes, non-tax revenue and levies shall vest exclusively in the Service except where such powers are expressly delegated in writing by the Service.</p> <p>b) The expert’s review and references to sections of the law are:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>S15 (1) gives the service the power to administer any law on taxation in the state.</p> <p>S15 (4) Service shall have sole and exclusive powers to control, administer, impose, and collect the different taxes, levies, and all revenue within the state as provided by the law.</p> <p>S159 (1) reinforces only revenues in the schedule can be collected and only by the SIRS</p> <p>c) Both conclusions are aligned</p> <p>d) Both opinions are aligned and correct.</p>		
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?	<p>a) The collection of revenues was made into accounts nominated by the SBIR. Evidence of letter to the bank requesting for such account to be opened and the bank statement were obtained.</p> <p>b) SBIR has full oversight of accounts and is responsible for reporting and accounting for the revenues</p>	Satisfactory	
4	<p>Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?</p> <p>It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.</p>	<p>a) The revenue code was approved on 10th September 2020.</p> <p>b) The revenue code was assented to by the Governor on 10th September 2020</p>	Satisfactory	
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	<p>a) The IVA was able to download and keep in a file, a copy of the Revenue Law.</p> <p>b) The revenue law was accessed and downloaded on 21/02/2022 at 1:35 pm.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																												
	c) The web link of the publication is: https://pfm.bo.gov.ng/wp-content/uploads/2022/02/Borno-State-Internal-Revenue-Service-Law-2020.pdf																														
DLR 4.2	2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection	Achieved <i>(Stretch target met)</i>																													
1	<p>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</p> <p>a. Cash accounting basis was used for revenue reporting in 2019 and 2020 from the Audited Financial Statements or State Auditor-General’s Report.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1" data-bbox="663 711 1253 1416"> <thead> <tr> <th data-bbox="663 711 825 813">REPORTING TEMPLATE: OPTION B</th> <th data-bbox="829 711 989 813">NGN</th> <th data-bbox="993 711 1167 813">NGN</th> <th data-bbox="1171 711 1253 813">% GRO WTH</th> </tr> <tr> <th data-bbox="663 816 825 854">Item</th> <th data-bbox="829 816 989 854">2019</th> <th data-bbox="993 816 1167 854">2020</th> <th data-bbox="1171 816 1253 854"></th> </tr> </thead> <tbody> <tr> <td data-bbox="663 857 825 987">1. Reported IGR in AFS (Before Adjustments)</td> <td data-bbox="829 857 989 987">4,769,647,957</td> <td data-bbox="993 857 1167 987">14,877,399,251</td> <td data-bbox="1171 857 1253 987">212%</td> </tr> <tr> <td data-bbox="663 990 825 1027"></td> <td data-bbox="829 990 989 1027"></td> <td data-bbox="993 990 1167 1027"></td> <td data-bbox="1171 990 1253 1027"></td> </tr> <tr> <td data-bbox="663 1031 825 1190">2. INVALID items to be deducted IF reported as part of IGR</td> <td data-bbox="829 1031 989 1190">-</td> <td data-bbox="993 1031 1167 1190">-</td> <td data-bbox="1171 1031 1253 1190"></td> </tr> <tr> <td data-bbox="663 1193 825 1256">Paris club refund</td> <td data-bbox="829 1193 989 1256"></td> <td data-bbox="993 1193 1167 1256"></td> <td data-bbox="1171 1193 1253 1256"></td> </tr> <tr> <td data-bbox="663 1260 825 1416">Reimbursements/refunds related to expenditures (e.g., from</td> <td data-bbox="829 1260 989 1416"></td> <td data-bbox="993 1260 1167 1416"></td> <td data-bbox="1171 1260 1253 1416"></td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION B	NGN	NGN	% GRO WTH	Item	2019	2020		1. Reported IGR in AFS (Before Adjustments)	4,769,647,957	14,877,399,251	212%					2. INVALID items to be deducted IF reported as part of IGR	-	-		Paris club refund				Reimbursements/refunds related to expenditures (e.g., from				Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests	Findings				Conclusion	Recommendations
	FGN for Federal roads)					
	Sale of govt property, privatization proceeds					
	Savings					
	Investment Income (e.g. dividends)	3,841,366	-			
	Interest Earned	-	174,495			
	Aids and Grants	-	2,671,733,817			
	Miscellaneous	90,614,856	-			
	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)	4,675,191,735	12,205,490,939	161%		
	$\frac{N12,205,490,939 - N4,675,191,735}{N4,675,191,735} \times 100$ $= 161 \%$					
	The annual nominal growth is 161%					
	Note:					

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>On the Sale of Building, an adjustment could be made to deduct proceeds but since the amount involved is N82mn at most, it was considered not to be significant and would not change the results.</p> <p>Source: 2020 Audited Financial Statement Page 50</p>		
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	
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?	<p>The State commenced the Biometric data capture of the civil servant and pensioners in January 2016, and it is still ongoing.</p> <p>a) It was not outsourced to a consultant. b) The total number of civil servants is 17,288. c) The total number of pensioners is 15,204. d) The total number of staff on the State Nominal roll and Payroll is 32,492. e) The number of biometrics data that has been captured is 32,492 (17,288 Civil Servants and 15,204 Pensioners). f) The documents obtained for the conclusion are i) Implementation of Biometrics/BVN Register ii) A report of the High-powered committee on staff verification and biometric Data capturing Exercise.</p> <p style="text-align: center;"><u>No of Biometric Data Captured x 100</u> Total No of Civil Servants + Pensioners on payroll</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$\frac{32,492}{17288 + 15,204} \times 100 = 100\%$ <p>The State had captured 100% of the State's civil servants and pensioners on its payroll.</p>		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<ul style="list-style-type: none"> a) The State commenced the Biometric data capture of the civil servant and pensioners in January 2016, and it is still ongoing. b) The instances of biometrics data linked to the payroll are 32,492. c) There were no ghost workers detected during the biometric validations. d) There were no ghost workers detected therefore, no money was saved. e) There were in-year changes to the civil servant and pensioner payrolls as a result of starters, leavers, deaths, etc., and are captured by the biometric exercise. f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths. The State conducts monthly update of payroll where all MDAs send salary variation orders for removal of staff from the payroll due to death, leavers, retirement and other reasons as stated in the Biometrics and Data Capture Implementation Report obtained by the IVA. g) There were changes to the civil servant and pensioner payrolls during the fiscal year. h) The changes were captured by the biometric exercise. i) Procedures are in place to identify and remove ghost workers. The State has a policy of conducting yearly verification exercise since the commencement in 2016. Also, the State conducts 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		monthly update of payroll where all MDAs send salary variation orders for removal of staff from the payroll due to death, leavers, retirement and other reasons.		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<ul style="list-style-type: none"> a) There were no ghost workers detected during the linkage. b) There were no ghost workers identified. Hence, there was no record kept. c) There were no identified Ghost workers. Therefore, there was no date of removal. 	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?	<p>The State commenced linkage of BVN data of the civil servant and pensioners in January 2016.</p> <ul style="list-style-type: none"> a) It was not outsourced to a consultant. b) The total number of civil servants is 17,288. c) The total number of pensioners is 15,204. d) The total number of staff on the State Nominal roll is 17,288. e) 32,492, comprising 17,288 civil servants and 15,204 pensioners BVN data have been linked to the payroll. f) The documents obtained are: <ul style="list-style-type: none"> i) Report on the Implementation of Biometric/BVN register report. ii) Report of the High-Powered Committee on Staff verification and Biometric Data capturing exercise in the Borno State Civil Service (hard copy obtained). iii) Screenshots of Data enrolment Script. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$\frac{\text{No of BVN Data Linked} \times 100}{\text{Total No of Civil Servants + Pensioners on payroll}}$ $\frac{32,492 \times 100}{32,492} = 100\%.$ <p>The State has linked 100 % of the State's civil servants and pensioners' BVN data to the payroll.</p>		
2	Has the State taken steps to identify payroll fraud?	<p>a) Staff with BVN data is 17,288, there is no staff without BVN data.</p> <p>b) There was no payroll fraud identified, hence, there were no records kept for the identified payroll fraud.</p> <p>c) There was no payroll fraud identified, therefore there was no date of identification.</p> <p>d) There was no fraud detection. Hence, there was no figure obtained.</p> <p>There was no fraud detected. Hence, there was no figure obtained.</p>	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	MDAs receiving funds from the State budget			
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?	<p>a) The State has a Public Procurement Legal Framework.</p> <p>b) The Borno State Bureau on Public Procurement and Other Matters Related Therewith Law, 2019 and the Borno State Bureau of Public Procurement and Other Matters related therewith Law, 2019 (Amendment) Law 2020 has been approved by the State legislature as a law.</p> <p>c) The date it was passed and assented by the Governor is 12th December 2019 and amended 4th September 2020.</p> <p>d) The Borno State Bureau on Public Procurement and Other Matters Related Therewith Law, 2019 and (Amendment) Law 2020 has been passed by the State House of Assembly.</p> <p>e) The authorizing body/office is State House of Assembly and the Governor.</p> <p>f) The date of approval of the Law is 12th December 2019 and amended 4th September 2020.</p>	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.	<p>The law conforms with the UNCITRAL Model Law</p> <p>a) The team’s review of the Procurement Law and relevant sections are: E-procurement: The law approves the changing requirements of E-procurement in line with international best practices. See Section 5 (f), Section 18(29), Section 20(vi). Also, S 6 of the BSBPPL 2019 (Amendment) Law, 2020.</p> <p>Establishment of an independent procurement regulatory agency: The Law approves for an</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>established body to be known as the Borno State Bureau on Public Procurement (in this Law referred to as the “Bureau”) See Section 3(1-3). Cover all MDAs receiving funds from the State budget: The law covers all MDAs receiving funds from Borno State Government. Part 111 - "Scope of Application". S 17(1)(a - c) and S 5 of the Bureau of Public Procurement and Other Matters related therewith Law, 2019 (Amendment) Law 2020.</p> <p>b) The expert in his opinion, stated that the Law complies with the UNCITRAL Model Law and meets the requirement.</p> <p>c) Both the team and the expert conclusion aligns.</p> <p>The Borno State Public Procurement Law is structured in line with the UNCITRAL Model and meets the requirements as shown below:</p> <p>1. E-Procurement - We noted the following during our review of legislation;</p> <ul style="list-style-type: none"> • The Procurement Council is to approve changes in the procurement Process to adapt to improvements in modern technology. S. 5 (f). Also, the law provides that the bureau shall design and set up a secure electronic portal to enable and support e-procurement system within the purview of this Law, and all procuring entity may conduct any or all of its tenders through e-procurement process. S 6 of the BSBPPL 2019 (Amendment) Law, 2020 • The Bureau is to establish a single internet portal that shall serve as a primary and definitive source 		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations												
	<p>of all information on government procurement. S. 18 (29)</p> <ul style="list-style-type: none"> The Bureau is to introduce, develop, update and maintain related databases and technology. S. 20 (iv) <p>The law, therefore, complies with the requirements for e-procurement.</p> <p>2. Independence - The results of our assessment of the legislation for independence are in the table below:</p> <table border="1" data-bbox="661 678 1234 1377"> <thead> <tr> <th>Required Provisions*</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>The Functions and Powers of the Agency</td> <td>Compliant; see sections 7 & 8 of the BSBPPL, 2019</td> </tr> <tr> <td>The composition of the board</td> <td>Compliant; See section 4 (1) of the BSBPPL 2019 and Section 3 of the BSBPPL 2019, (Amendment) Law 2020</td> </tr> <tr> <td>Membership of the Board/Council includes representatives from professional bodies and associations.</td> <td>Compliant; see sections 4(1) and Section 3 of the BSBPPL 2019, (Amendment) Law 2020</td> </tr> <tr> <td>The grounds for removal of the Chief Executive of the agency.</td> <td>Compliant; see section 9 (4) of the BSBPPL, 2019 The law only provides for the removal of the Director-General by the Governor.</td> </tr> <tr> <td>Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review</td> <td>Compliant; See Section 8 of the BSBPPL 2019, (Amendment) Law 2020</td> </tr> </tbody> </table> <p>*Provided by the World Bank</p>	Required Provisions*	Result	The Functions and Powers of the Agency	Compliant; see sections 7 & 8 of the BSBPPL, 2019	The composition of the board	Compliant; See section 4 (1) of the BSBPPL 2019 and Section 3 of the BSBPPL 2019, (Amendment) Law 2020	Membership of the Board/Council includes representatives from professional bodies and associations.	Compliant; see sections 4(1) and Section 3 of the BSBPPL 2019, (Amendment) Law 2020	The grounds for removal of the Chief Executive of the agency.	Compliant; see section 9 (4) of the BSBPPL, 2019 The law only provides for the removal of the Director-General by the Governor.	Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Compliant; See Section 8 of the BSBPPL 2019, (Amendment) Law 2020		
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>3. Establishment of an independent procurement regulatory agency -</p> <p>a) The Law provides for the establishment of an independent procurement regulatory agency. See Section 3 (1-3)</p> <p>b) The Law covers all MDAs receiving funds from the State budget. See Section 17(1) (a-c) of the BSBPPL, 2019; Section 5 of the BSBPPL 2019, (Amendment) Law 2020.</p>		
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?	<p>a) The State has instituted an independent procurement regulatory function.</p> <p>b) It is being performed through a bureau.</p> <p>c) The agency is responsible for prescribing regulations and procedures for public procurements by the legal framework.</p> <p>d) IVA interviewed the Chief Executive and Management team of the Bureau. Also, questionnaires were issued, and pictures of the Bureau were taken and retained. IVA went through the record files maintained (for the year under assessment) and noticed that the transactions handled followed due process by maintaining a certificate of no objection, Invitation to bid (advertisement), Bill of Quantities, Analysis for pre-qualification for the award of contract, etc.</p> <p>e) 97 records of procurements were handled by the Bureau during the year under assessment. 5 cases were randomly selected for a walkthrough to</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>confirm the effective handling of the selected cases.</p> <p>IVA went through the record files maintained (for the year under assessment) and noticed that the transactions handled followed due process by maintaining a certificate of no objection, Invitation to bid (advertisement), Bill of Quantities, Analysis for pre-qualification for the award of contract, etc. And concluded that the cases were handled effectively; the Bureau is highly active and functional.</p>		
DLR 6.2	<p>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.</p> <p>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</p>		Achieved Basic Target	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>month in OCDS format on the state website or online portal if available.</p>			
1	<p>Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2020) that are above the threshold (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?</p>	<p>a) A schedule of all contracts awarded during the year under assessment above the threshold has been obtained.</p> <p>b) The data published is in line with the Open Contracting Data Standards (OCDS).</p> <p>c) The contracts awarded published in line with the OCDS were published under various ministries and in an excel format. The dates of publication are 31/12/2020 and 02/03/2021.</p> <p>d) The source of publication is https://bpp.bo.gov.ng/ocds/ocds-download/IVA obtained the schedule of contracts awarded during the year under assessment to ascertain those contracts awarded are above the threshold. Thereafter, sought that the contracts awarded were published on the State's website and the publication is in line with the OCDS template provided.</p> <p>e) The minimum contract award information published are:</p> <ul style="list-style-type: none"> (i) Project name, (ii) awarding institution, (iii) award date, (iv) name of contractor, and (v) contract amount was published. <p>f) All the items from (e) above were published.</p> <p>g) The web link of publication is https://bpp.bo.gov.ng/ocds/ocds-download/</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The contract award information published on the State's 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?	<ul style="list-style-type: none"> a) The State has signed the SaaS e-Procurement Framework Contract. b) A copy of the SaaS e-Procurement Framework Call Off Contract has been obtained. c) The State has signed the SaaS e-Procurement Framework Contract. 	Satisfactory	
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?	<ul style="list-style-type: none"> a) The State had not implemented e-procurement in at least 3 MDAs during the year under assessment. b) A walkthrough of the 5 transactions from each MDA has not been done, as no transaction was handled in the year under assessment. c) No transaction was handled in the year under assessment. d) IVA could not confirm whether the State has implemented the E-Publishing/Notification module for contract notice and contract award because no transaction was handled in the year under assessment. d) The E-Publishing/Notification module for contract notice and contract award was not effective during the year under assessment 2020 APA. <p>No evidence of the E-Publishing/Notification of contract notices and contract award could be obtained since it was not effective during the year under assessment 2020 APA.</p>	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs and at least 3 MDAs in the first instance (including Education, Health, and Public Works).
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for		Achieved (This is a 2021 APA result assessed early in	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>recording/reporting state debt, and 3) fiscal and debt rules/limits.</p>	<p>2020 APA. All requirements were met)</p>	
<p>1</p>	<p>Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic Public Financial Management Law?</p>	<p>Satisfactory</p>	
<p>2</p>	<p>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.</p>	<p>Satisfactory</p>	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Criteria 2 - establishing responsibilities for recording and reporting state debt -DMOL S. 7(c) The office shall maintain a reliable database of all instruments issued, loans taken or guaranteed by the State, or any exigencies and all contingent liabilities related to it;</p> <p>Borno State Fiscal Responsibility Law (FRL) S. 40(2) The Debt Management Office shall maintain proper and up-to-date records of all public debts and render regular reports by the guidelines issued by the Debt Management Office of the Federation.</p> <p>Criteria 3 - establishing fiscal and debt rules or /limits - FRL S. 40(1) The objectives of public debt management are to ensure that the State government's financing needs are maintained within the approved threshold and payment obligations are met at the lowest possible cost over the medium to long term, with a prudent degree of risk, and to promote development while ensuring the equitable sharing of benefits and burdens of public debt between current and future generation.</p> <p>b) The results of DMO assessment are detailed below: Criteria 1, 2, and 3 are satisfied. 1. The responsibility for contracting state loans is satisfied by section 7(a)(b) of the DMOEL, which states that “the [Debt Management] Office shall issue, on behalf of the State, such instrument as the State may desire to issue, from time to time; borrow, on behalf of the State, from any individual or institutional bodies ...”. Other sections relevant to criterion #1 include section</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>23 of the DMOEL, which provides that “any agreement entered into for the purposes of borrowing by the State or in relation to any guarantee or debt management operation under this Law shall be in writing and be signed for and on behalf of the State by the Commissioner or by such other person as the Commissioner may, from time to time design [sic], provided that such agreement is prepared or approved by the Attorney General.”</p> <p>2. The responsibility for recording and reporting state debt is satisfied by section 40(2) of the FRAL, which provides that “the Debt Management Office shall maintain proper and up to date records of all public debts and render regular reports in accordance with the guidelines issued by the Debt Management Office of the Federation.”. The responsibility for reporting state debt is satisfied by section 7(c) of the DMOEL, which provides that the “...Office] shall maintain a reliable database of all instruments issued, loans taken, or guaranteed by the State or any exigencies and all contingent liabilities related to it”.</p> <p>3. Debt rules/Fiscal Limits are provided in section 19(1) of FRAL, which states that “the estimates of aggregate expenditure for a financial and aggregate amount appropriated by the House of Assembly for each financial year shall not be more than the estimated aggregate revenue plus deficits, not exceeding 5% of the estimated gross domestic product (GDP).” Other sections that satisfy criterion #3 are sections 18(2)(f), 41(1) and 42 of the FRAL.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		c) Both conclusions are aligned. d) Both conclusions are aligned.		
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?	The State Debt Management Office was operational during the APA year and performed the core function of recording and reporting state debt. A physical inspection of the office was conducted, and pictures were taken. From the IVA's view, the office is active and operational, carrying out its core function and submitting quarterly reports for the relevant periods. Files of various MDAs that submitted the data for their outstanding liabilities were reviewed. The quarterly debt reports submitted to the Debt Management Office; in Abuja were also reviewed. An interview was conducted with the Director of Debt Management and the front office officer, and they confirmed that the office is active and functional, carrying out its core functions daily.	Satisfactory	
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	
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: <ul style="list-style-type: none"> ● Q2 submitted on (17/08/2020) 48 days, ● Q3 submitted on (06/11/2020) 37 days and 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<ul style="list-style-type: none"> Q4 submitted on (02/02/2021) 33 days. $\frac{Q2+Q3+Q4}{3}$ $\frac{48+37+33}{3}$ <p>Average = 39.33 days (5.62 Weeks) The SDDRs were submitted within an average of 1.4 months (average of 39 days).</p>		
<p>2</p> <p>Note: Have you reviewed for accuracy and completeness from the DMO: The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p>	<p>a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained</p> <p>b) We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Borno State Debt Domestic Report along with all underlying data and both showed different amounts of N89,049,423,818.67 for SDDR and N93,993,641,366 for SDEDR. There was a difference of ₦4,944,217,547.33. The report was supported with the DMO's templates and guidelines.</p> <p>a) There was a difference of ₦4,944,217,547.33</p> <p>b) We reviewed the DMO report and the DMO report confirmed the <u>accuracy</u> and <u>completeness</u> of the State Domestic Debt Report.</p> <p>A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the State's submission</p>	NA	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>to the DMO. Conclusions reached in this report are based on the amended DMO data.</p> <p>c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State has been compared with the State Audited Financial Statement.</p> <p>d) The debt stock figures reported in the SDDR have been compared with that of the State's Audited Financial Statement.</p> <p>e) There were discrepancies noted during the comparison.</p> <ol style="list-style-type: none"> 1. SDDR Figure: N89,049,423,818.67 2. AFS Figure: N83,152,521,578 3. Difference: N5,896,902,240.67 <p>f) An APA issue report was raised and forwarded to the State, and but no response was received.</p> <p>g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.</p> <p>h) The debt stock figures reported in the SDEDR, have been compared with those of the SDDR submissions by Borno state.</p> <p>i) There were inconsistencies.</p> <ol style="list-style-type: none"> i. SDEDR (DMO) Figure: N93,993,641,366 ii. SDDR (State) Figure: N89,049,423,818.67 iii. Difference (If any): N4,944,217,547.33 <p>APA issue report has been raised and forwarded to the State, but no response was received.</p>		
3 New	Has the State published online, the State Debt Sustainability Analysis Reports (SDSAR) by 31 December 2020?	<p>a) The State Debt Sustainability Analysis Report (SDSAR) was published on the State's official website.</p> <p>b) It was published on 30th December 2020.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) A timestamp was taken, and the screenshot of the IT backend was also obtained.</p> <p>d) The web link is https://pfm.bo.gov.ng/wp-content/uploads/2020/12/Borno-State-Debt-Sustainability-Analysis-Report_2020.pdf</p>		
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?	<p>Upon review of the State Debt Sustainability Analysis Report (SDSAR), it included the following:</p> <p>(1) Adequate presentation of medium-term budget forecasts, including:</p> <p>(a) Presentation of MTB forecasts</p> <p>(b) Description of assumptions underpinning the MTB forecasts</p> <p>(2) A detailed and adequate description of the debt portfolio and borrowing options, including:</p> <p>(a) Presentation of debt and borrowing projections in the baseline scenario.</p> <p>(b) Description of assumptions underpinning the borrowing options</p> <p>(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year.</p> <p>a) 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.</p> <p>b) There were no differences identified between the review of the DMO and the IVA.</p>	Satisfactory	
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-		Achieved Stretch Target	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>accessible database, with a verification process in place.</p> <p>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.</p>		Met	
<p>1 Has the State established an Arrears Clearance Framework (ACF)?</p>	<p>a) The State has established an Arrears Clearance Framework (ACF).</p> <p>b) IVA obtained and retained a copy of the ACF from the State.</p> <p>c) The Arrears Clearance Framework (ACF) was established on 31 December 2020. The State established an ACF in 2019 and published online on 18/11/2019 https://pfm.bo.gov.ng/dmo/</p> <p>d) The 2020 ACF was established on 31st December 2020 year-end, which may not be adequate to allow time for the implementation of the ACF. Hence the ACF for 2019 was utilised.</p>	Satisfactory	
<p>2 Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.</p>	<p>a) The ACF contains an explicit prioritization of expenditure arrears to be settled (Pg. 8-9 for 2020 and pg. 14 for 2019).</p> <p>b) Schedule of all voucher payments made to clear arrears during the year was provided.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		c) Simple addition and comparison were done with other documents where the domestic arrears figures were used, such as the Audited financial statement.		
3	Has the ACF been published on a State official website?	<p>a) The ACF was published on a State official website at the time of verification.</p> <p>b) IVA has downloaded and retained a copy of the ACF for validation.</p> <p>c) The weblink of publication is https://pfm.bo.gov.ng/dmo/ and the evidence obtained to confirm the date of publication is</p>	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	<p>The clearance of domestic expenditure arrears is consistent with the ACF.</p> <p>The State prioritizes payment to Contractors, Pension and gratuity Arrears, and Salary Arrears of 48% in 2020 as against 6.79% in 2019 in line with policy No.5 of the ACF.</p> <p>We observed that these payments were made as enshrined in the AFS, and copies of Payment vouchers were obtained.</p>	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State internal domestic arrears database has been established.</p> <p>b) The Internal Domestic Arrears Database includes the following:</p> <p>a. The aggregate and individual amounts of contractors' arrears were stated except for contractors' arrears over ₦20million, at a minimum, the internal domestic arrears database also include the name of the contractor, the amount due at the end-of-year, the nature of the goods and services</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>procured that generated the claim, and billing data. The database showed the total domestic arrears stock at the end of each year.</p> <p>b. The aggregate amount of pension and gratuity arrears was ₦4,445,924,511.54</p> <p>c. The aggregate amount of salary arrears and other staff claims were stated as ₦ 86,245,556.06.</p> <p>d. There were no aggregate amounts of other types of domestic arrears.</p> <p>c) There is a verification process in place for the arrears in the database.</p> <p>d) IVA confirmed through the evidence provided by the State that the State has conducted verification of arrears balances by the committee constituted and balances verified.</p> <p>e) Verification of the consistency and accuracy of the information on the online publicly accessible arrears database has been done.</p> <p>f) The State Arrears Recording, Verification, and Clearance Report (SARVCR) has been submitted by the State Ministry of Finance to the IVA.</p>		
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?	<p>a) The State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2019 and 2020. https://pfm.bo.gov.ng/wp-content/uploads/2022/02/BORNO-STATE-SARVCR-2020.pdf</p> <p>b) IVA compared the aggregate and individual information available on the online publicly accessible arrears database with the information in the internal domestic arrears database and verified the consistency and</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>accuracy of the information on the online publicly accessible arrears database.</p> <p>c) A 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 has been created and is functional.</p> <p>d) The online webpages include a facility for creditors to report any omissions to the State.</p> <p>e) The test conducted on the facility showed that contractors with arrears (creditors) report any omissions to the State.</p> <p>f) There were no records from the State on the omissions reported by contractors in each year and how they were treated.</p> <p>g) There were no omissions of contractor arrears that were found to be valid were subsequently included in the internal domestic arrears database.</p> <p>h) The web link to the online publicly accessible arrears database is http://pfm.bo.gov.ng/orno-state-arrears-clearance-framework-and-other-arrears/</p>		
7.	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p>	<p>The result of the test conducted shows that the individual and contractors whose claim was not listed on the database can fill out a confidential form online and can also attach evidence of their claim. IVA obtained an automated response for confirmation that the mail sent was received and will be attended (None of the four types of the arrear: Contractor, Gratuity and pension, salary arrears, and another type of arrears are missing).</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																											
	<p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	The online publication contains the names of contractors owed ₦20m in arrears and above.																																
8.	<p>Has the State met the following:</p> <p>(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.</p> <p>-Stretch target: At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion.</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.</i></p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2020</th> <th>2019</th> <th>% diff.</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>13,178,414,443.58</td> <td>22,897,968,046.00</td> <td></td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>11,085,524,552.00</td> <td>16,893,141,285.00</td> <td></td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>516,273,101.00</td> <td>516,273,101.00</td> <td></td> </tr> <tr> <td>Judgment Debt</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Domestic Arrears</td> <td>24,780,212,096.58</td> <td>40,307,382,432.00</td> <td>38.5%</td> </tr> </tbody> </table> <p>a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and</p>	Aggregate Amount of:	2020	2019	% diff.	Contractors Arrears	13,178,414,443.58	22,897,968,046.00		Pension and Gratuity arrears	11,085,524,552.00	16,893,141,285.00		Salary arrears and Staff claims	516,273,101.00	516,273,101.00		Judgment Debt				Other types of domestic expenditure arrears				Total Domestic Arrears	24,780,212,096.58	40,307,382,432.00	38.5%			Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>confirmed it was the same as the balances stated within the SDDR and the AFS for 2020.</p> $\frac{N40,307,382,432 - N24,780,212,096.58 \times 100}{N40,307,382,432} = 38.5\%$ <p>The percentage decline is 38.5%</p> <p>Source: State internal domestic expenditure arrears database</p> <p>Also, State should provide reasons for the list of pension arrears at year end seen on the Total pension which shows N60,659,329.67, and the Gratuity arrears shows N4,445,924,511.54. (Totalling N4,506,583,841.21)</p> <p>This is different from the Q4 SDDR of N11.085bn.</p> <p>Given the above, the State is required to provide reasons for the list of pension arrears at year-end seen on the Total pension which shows N60,659,329.67, and the Gratuity arrears shows N4,445,924,511.54. (Totalling N4,506,583,841.21)</p> <p>This is different from the Q4 SDDR of N11.085bn while responding to this report.</p> <p>The State responded that “the closing balance of Borno State Pensions and Gratuity Arrears stands at N11,085,524,552.00 (Eleven billion, Eighty-Five Million, Five Hundred and Twenty-Four Thousand, Five Hundred and Fifty-Two Naira only). This is the amount outstanding as Pension and Gratuity Arrears Liability as</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>at the end of the FY 2020 as reported on both the SDDR and the AFS.</p> <p>The State is currently in a very wide and in-depth verification of the Correct, complete and updated list of outstanding beneficiaries that amounts to the total of N11,085,524,552.00.</p> <p>We are of the opinion that it is prudent to maintain outstanding liability figure of N11,085,524,552.00 which was brought forward from our previous records.</p> <p>As highlighted earlier the State is in the process of verifying the list of beneficiaries, after which the State will update the Website records with the complete list of outstanding Arrears of Pension and Gratuity". IVA reviewed the State's response and confirmed that the sum of N11,085,524,552.00 was used for pension and gratuity arrears which is the higher figure in the computation of the percentage decline in the verified stock of domestic arrears and is satisfied with the State's response.</p>		
DLI 9: Improved Debt Sustainability				
DLR 9.0	Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target: -Basic target: < [150%] -Stretch target: < [125%]		Achieved Basic Target Met	
1	Has the State met: (i) the ratio of total debt stock at end-of-year (31 st December 2020) of the year of assessment to the total revenue collected during the	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																						
<p>calendar year of the year of assessment (1st January to 31st December 2020)?</p> <p>-Basic target:< [150%] -Stretch target: < [125%]</p>	<p>Total Public Debt</p> <table border="1" data-bbox="663 248 1224 545"> <thead> <tr> <th></th> <th>Financial Statements</th> <th>DMO/SDEDR Figures</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>83,152,521,579.00</td> <td>93,993,641,367.00</td> </tr> <tr> <td>Total External Debts</td> <td>5,896,902,240.00</td> <td>7,927,153,858.00</td> </tr> <tr> <td>Total Public Debts</td> <td>89,049,423,819.00</td> <td>101,920,795,225.12</td> </tr> </tbody> </table> <p>Total annual revenue</p> <table border="1" data-bbox="663 631 1230 906"> <tbody> <tr> <td>2020 Adjusted IGR (see DLI 4.2)</td> <td>12,205,490,939.00</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>63,045,190,795</td> </tr> <tr> <td>Grants</td> <td>2,671,733,817.00</td> </tr> <tr> <td>Other Revenues</td> <td>174,495</td> </tr> <tr> <td>Total Revenue</td> <td>77,922,590,046</td> </tr> </tbody> </table> <p>a. The State’s domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2020 is as at the end of Q4 2020.</p> <p>We have computed the total debts stock / Revenue percentage for the 2020 year, as follows:</p> $\frac{\text{Total Public Debts (DMO)*}}{\text{Total Revenue}} \times 100$ $\frac{101,920,795,225.12}{77,922,590,046} \times 100$		Financial Statements	DMO/SDEDR Figures	Total Domestic Debts	83,152,521,579.00	93,993,641,367.00	Total External Debts	5,896,902,240.00	7,927,153,858.00	Total Public Debts	89,049,423,819.00	101,920,795,225.12	2020 Adjusted IGR (see DLI 4.2)	12,205,490,939.00	Gross FAAC Allocation	63,045,190,795	Grants	2,671,733,817.00	Other Revenues	174,495	Total Revenue	77,922,590,046		
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p style="text-align: center;">=131%</p> <p>Sources:</p> <ul style="list-style-type: none"> i. For Total Revenue 2020 Audited Financial Statement, Page 50 ii. For Total Public Debt from DMO* as at December 31, 2020 iii. NBS/OAGF (FAAC) <p>*Table 3(i) below holds a breakdown of the Total Debt.</p> <ul style="list-style-type: none"> b. The debt stock stated in the Federal DMO State Domestic, and External Debt Report (SDEDR) is not the same with the debt stock stated in the audited financial statements c. There is a difference. The discrepancy between States debt figures in the AFS and the DMO adjusted figures is due to the adjustments made invalidating the data with CBN and FMOF, rather than due to discrepancies between States AFS and what States report to DMO originally. d. The difference has been communicated to the State Accountant General and Federal DMO. e. The difference has been calculated in value and percentage terms AFS Debt <ul style="list-style-type: none"> Stock= 89,049,423,819 DMO Debt Stock= 101,920,795,225 Diff = 12,871,371,406 <p>Percentage = $\frac{12,871,371,406}{101,920,795,225} \times 100$</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
		<p style="text-align: center;">=12.6%</p> <p>f. The SDEDR has not been amended and resubmitted to the IVA along with explanations for any changes.</p>	

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

BORNO STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,340,884,246.00
BAIL OUT (SALARIES) (SOURCE CBN)	19,600,365,721.00
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	13,849,090,923.00
STATE BONDS	-
COMMERCIAL BANK LOANS	-
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOANS (CBN FACILITIES)	5,548,750,000.00
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	2,123,946,108.00
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	13,178,414,444.00
PENSION AND GRATUITY ARREARS	11,085,524,552.00
SALARY ARREARS AND OTHER CLAIMS	516,273,101.00
OTHER DEBTS	
TOTAL DOMESTIC DEBT (TDD)	93,993,641,367.00
TOTAL EXTERNAL DEBT (TED)	7,927,153,858.00
TOTAL PUBLIC DEBT (TED+TDD)	101,920,795,225.00

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

TEMPLATE: OPTION A	NGN
Item	2020
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	63,045,190,795
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	47,021,818,011
1.1.1 Gross statutory allocation	47,021,818,011
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	
1.2 VAT	16,023,372,784
2. Internally Generated Revenues (IGR) – Adjusted	12,205,490,939
3. Grants (internal and external)	2,671,733,817
4A. Other revenues (4.1 + 4.2 + 4.3)	174,495
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	174,495
4.3 Miscellaneous	
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	77,922,590,046

4. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p>Borno State Response to Observation on DLI 8</p> <p>The Closing balance of Borno State Pensions and Gratuity Arrears stands at N11,085,524,552.00 (Eleven billion, Eighty-Five Million, Five Hundred and Twenty-Four Thousand, Five Hundred and Fifty-Two Naira only). This is the amount outstanding as Pension and Gratuity Arrears Liability as at the end of the FY 2020 as reported on both the SDDR and the AFS.</p> <p>The State is currently in a very wide and in-depth verification of the Correct, complete and updated list of outstanding beneficiaries that amounts to the total of N11,085,524,552.00.</p> <p>We are of the opinion that it is prudent to maintain outstanding liability figure of N11,085,524,552.00 which was brought forward from our previous records.</p> <p>As highlighted earlier the State is in the process of verifying the list of beneficiaries, after which the State will update the Website records with the complete list of outstanding Arrears of Pension and Gratuity.</p>	The State submission is noted and adopted.
2		
3		
4		

