



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

2018 Annual Performance Assessment (APA) Report

KANO STATE

By:

The Office of the Auditor-General for the Federation as the SFTAS Independent Verification Agent
with support from JK Consulting Co. Ltd



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Table of Contents

1. Executive Summary.....	3
2. Introduction.....	6
2.1 Overview.....	6
2.2 Scope	6
3. Assessment Results.....	7
3.1 Findings.....	7
4. Response from the State	24
Appendix A - Difference between DMO and Financial Statement figures	25
Appendix B - Report on the achievement of the Eligibility Criteria for 2018_.....	27

1. Executive Summary

This Report details the outcome of the Annual Performance Assessment (APA) conducted on Kano State for the 2018 year of the four-year SFTAS Program. In conducting the APA, the verification team assessed how the State performed against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines and verification protocol.

Table 1 (below) reflects the outcome of the 2018 APA for Kano State and shows areas where the State was able to achieve results. In total, Kano State achieved **Two (2)** DLRs out of 14 DLRs.

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

1. DLR 1.1: Quarterly budget implementation report is published online within an average of 4 weeks after the end of each quarter for 2020 and in the years thereafter. It should also state balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four expenditure classifications and other expenditures.
2. DLR 1.2: The annual expenditure outturn deviation is reduced to a level within the annual requirement for this result.
3. DLR 2.1: Signed minutes reflecting citizens' inputs from public consultations on the annual budget is published online, along with the proposed annual budget. The consultations should include the participation of Local Government Authorities and State based CSOs.
4. DLR 3: The State TSA covers all of the State government finances and is based on a formally approved cash management strategy. Note a minimum required coverage of 70% of State government finances for 2020 and 80% for the year thereafter.
5. DLR 4.1: A review of the Revenue law along with the revenue code. The revenue code should clearly state the sources of the revenues including the local government sources. The law, combined code and rate should be published online.
6. DLR 4.2: The State achieves a nominal annual growth rate of 20% or more in IGR.
7. DLR 5.1: Biometric capture of current civil servants and pensioners is completed and linked to payroll. Note a minimum required coverage of 90% for 2020 and thereafter. Also, ghost workers should be taken off the payroll within 3 months of being confirmed.
8. DLR 5.2: BVN data is linked to the Payroll of all civil servants and pensioners to minimize payroll fraud. Note a minimum required coverage of 90% for 2020 and thereafter.
9. DLR 6.1 Enactment of a Procurement law which conforms with the UNCITRAL Model Law.
10. DLR 6.2: Publication of contract award information above the set threshold, on a monthly basis in OCDS format on the State website.
11. DLR 7.1 Enactment of Debt Management and Fiscal Responsibility laws to include provisions which establish the responsibilities for contracting, recording /reporting State debt as well as fiscal and debt rules/limits for the State.
12. DLR 8: Establishment of an Arrears Clearance Framework and an internal domestic arrears database with relevant aspects published online in a publicly accessible format.

Lastly, we noted a significant issue affecting the credibility of the financial statements for 2018. Primarily, the total debt balance stated on the financial statements of the state for 2018 is lower than the balances on the records held by the Federal Debt Management Office by N76.76bn. The issue was raised with the State for clarification; however, the response was unsatisfactory and indicates either one or both debt balances are significantly misstated. The issue and the response from Kano State are included as Appendix A.

Table 1: Assessment Results

Key:	Achieved		Not Achieved	
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Disbursement Linked Indicators	Disbursement Linked Results (2018)	Results Achieved	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY18 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		Q3 and Q4 reports were published at an average of 24 weeks
	DLR 1.2: FY18 deviation for total budget expenditure is < 30%		The deviation was 36.86%
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY19 budget		No evidence that the minutes were jointly prepared with CSO representatives. The minutes were not also posted online.
DLI 3: Improved cash management and reduced revenue leakages through implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 50 percent of state government finances implementation of State TSA		No functional TSA and approved cash management strategy.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: Consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting approved by the State legislature and published		Consolidated State revenue code does not yet have legislative approval.
	DLR 4.2: 2018-2017 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more		IGR growth rate was 4.02%.
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 60 percent of current civil servants completed and linked to payroll, and identified ghost workers taken off the payroll		No biometrics database.
	DLR 5.2: Link BVN data to at least 60 percent of current civil servants on the payroll and payroll fraud addressed		No evidence to show linkage of BVN to payroll.
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement board; and 3) Cover all MDAs receiving funds from the state budget.		The Bill does not conform with the UNCITRAL Model Law.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2018 on a monthly basis in OCDS format on the state website		No online publication of contract awards.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: Approval of state-level legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		No adequate Debt management law.
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018		The Q4 SDDR was accepted by the DMO within two months after the quarter end.
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.		No Arrears Clearance Framework in place.
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2018, and Total debt stock at end of December 2018 as a share of total revenue for FY2018 meets target: Basic target: < 150%, Stretch target: < 125%.	Stretch target met	Monthly debt service deduction is 6.7% of gross FAAC. The Debt stock as a share of total revenue ratio is 106%

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

2. Introduction

2.1 Overview

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

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

2.2 Scope and APA process

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

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

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit and a template with which to report the results achieved. The assessments were conducted between 25/11/19 and 29/11/19 with a team of five persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/additional information.

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

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

3. Assessment Results

3.1 Findings

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations										
DLI 1: Improved Financial Reporting and Budgeting Reliability														
DLR 1.1	Financial Year [2018] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management		Not Achieved											
1	Has the state published its quarterly budget implementation report to the state official website within six weeks of the end of each quarter?	<p>This DLR was assessed based on the last two quarters of 2018 as per the verification protocol.</p> <p>The budget implementation reports for all four quarters for the year 2018 were downloaded from the state official website (www.kanobudget.org) and hard copies obtained.</p> <p>With the help of the IT consultant it was confirmed that the date on the web page was the original date of publication for the budget implementation reports. All reports for the four quarters in 2018 were posted on the same day (April 29, 2019).</p> <p>The average number of weeks taken for the publication for the 3rd and fourth quarter reports was computed to be 23.6 weeks. This falls short of the six weeks average required.</p> <table border="1"> <thead> <tr> <th>QTR</th> <th>POSTED DATE</th> <th>DEADLINE DATES</th> <th>NO. OF DAYS AFTER DEADLINE</th> <th>conv/ weeks</th> </tr> </thead> <tbody> <tr> <td>Q3</td> <td>29-Apr-19</td> <td>30-Sep-18</td> <td>211</td> <td>30.1</td> </tr> </tbody> </table>	QTR	POSTED DATE	DEADLINE DATES	NO. OF DAYS AFTER DEADLINE	conv/ weeks	Q3	29-Apr-19	30-Sep-18	211	30.1	Unsatisfactory	The State should ensure that budget implementation reports are published within an average of four weeks of the end of each quarter.
QTR	POSTED DATE	DEADLINE DATES	NO. OF DAYS AFTER DEADLINE	conv/ weeks										
Q3	29-Apr-19	30-Sep-18	211	30.1										

	Disbursement Linked Indicators (DLIs) and Tests	Findings					Conclusions	Recommendations
		Q4	29-Apr-19	31-Dec-18	119	17		
		Total				47.1		
2	Does the report include, at a minimum, the approved budget appropriation for the year for each organizational unit (MDAs), and for each of the core economic classifications of expenditure (Personnel, Overheads, Capital, and Other expenditures)?	The quarterly budget implementation was reviewed. It was observed that the reports included the approved budget appropriation for the year 2018 for each organization unit (MDAs) and the classification of core economic expenditure was also done.					Satisfactory	
3	Does the report state the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for year to date?	A review of the quarterly budget implementation report shows that, all the reports captured the actual expenditure for the quarter attributed to each MDAs. Each expenditure was classified and the cumulative was in the report.					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?	Based on the review of the report, the balances provided on a consolidated basis across the four expenditure classifications and 'Other Expenditures' were not included in the report.					Unsatisfactory	The state should ensure that balances are provided against each of the revenue and expenditure appropriations, and on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures'.
DLR 1.2	FY [2018] deviation from total budget expenditure is less than 30%						Not Achieved	
1	Has the State Computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the	The deviation from the total budget expenditure was computed by the IVA. Kano State did not compute the deviation rather they computed the performance of each MDA in the quarterly budget performance reports in percentage. This was					Unsatisfactory	The State should prepare more accurate budgets and reduce its budget deviation to be within the limits set for this result.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
2	fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 30%	<p>earlier acknowledged by the State in its Result submission. From the budget implementation report submitted, the computed deviation was 36.86%.</p> <p>From figures in the 2018 financial statement, the expenditure outturn deviation was 36.86%.</p> <p><u>N246,608,849,000.00–N155,716,171,000.00</u> N246,608,849,000.00 =36.86%</p>		Note that the benchmark for 2019, 2020 and 2021 are 25%, 20% and 15% respectively.
DLI 2: Increased Openness and Citizens' Engagement in The Budget Process				
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2019] budget		Not Achieved	
1	Did the state conduct at least one "town-hall" consultation before the proposed budget is drafted with participation of local government authorities and state-based CSOs?	<p>The state conducted town hall meeting on July 19 – 26, 2018 which was before the proposed budget was passed on 2nd January 2019.</p> <p>A number of documents were presented by the State to prove that the town hall was held. These included evidence of Citizens Input on Agriculture, Citizens Input on Health, Citizens Input – General, Citizens Input on Water, Input from Zumunta Youth and from Gaya Youth. The Attendance Register was also provided. In addition, we were provided with the following:</p> <ol style="list-style-type: none"> Report on town hall meeting for generating citizens input for the 2019 budget year organized by Kano Budget working group, on 26th July 2018. Submission of town hall meeting minutes in respect of budget for 2018. (the attendance list 	Unsatisfactory	The State should publish the minutes of the meeting on the official website.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		<p>had only name, designation and signature, but does not have phone numbers of attendees).</p> <p>3. Minutes of the town hall meeting on open budget for the year 2020.</p> <p>On the attendance sheet of document number 1, it was revealed that there was involvement of the Local government and CSO representatives, as those present in the meeting appended their signatures and provided their phone numbers.</p>		
2	<p>Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and signposted on the home page of the website to enable citizens to find the inputs easily?</p>	<p>The minutes of the public consultations were not jointly prepared with CSO representatives (as would be shown by their signature to the minutes). The minutes were also not published online.</p>	Unsatisfactory	<p>The state should ensure the minutes of the ‘town hall’ meetings are jointly prepared with the CSOs representatives signing the minutes and published on the State’s website.</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 implementation of State TSA		Not Achieved	
1	<p>Has the state established a functional state-level TSA?</p>	<p>There was no functional State-level TSA in place as at 31st December 2018. The IVA visited FCMB branch at 7, Bompai Road, Kano, where the TSA was said to be domiciled. We obtained the instruction of the Accountant General to open a TSA account dated 3/7/2019. The account was opened on 5/7/2019.</p>	Unsatisfactory	<p>The State ensure comprehensive use and operation of the TSA implemented in 2019, with a focus on achieving this result in the remaining APA years.</p>

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>The State has a draft Cash Management Strategy which showed the process through which the State is able to forecast cash commitments and requirements; and provide reliable information on the availability of funds. These were stated in Section 5.2, paragraph a-e, -Cash Flow Management in Kano State – IGR Revenue Flows.</p>	Unsatisfactory	<p>The State should expedite action to ensure that the draft cash management strategy is properly reviewed for compliance with requirements of this DLI and is approved.</p>
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 TSA was not in place as at 31st December 2018. From our interviews with the officials of the Accountant-General and Systems Specs (IT consultants on TSA implementation), we observed that as at 2018, there was a REMITA gateway that had a dashboard that could enable the Accountant-General to view the cash balances on the bank accounts linked to the REMITA. The State therefore had a dashboard but not for purposes of a TSA.</p> <p>In reviewing the existing systems, the IVA obtained evidence that bank accounts of some of the MDAs have been integrated into the REMITA platform. 170 bank accounts in different MDAs have been brought into the REMITA platform, out of 222 bank accounts maintained in the State.</p> <p>The process of viewing the transactions was demonstrated to the IVA, and some screen shots evidences were obtained.</p>	Unsatisfactory	<p>The State should ensure the TSA has a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard.</p>
4	<p>Does the TSA have one consolidated revenue treasury account for state revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into</p>	<p>Based on the interaction with the Director of KIRS, all the commercial banks in Kano are revenue collecting banks. Their collections are swept into the lead banks (Polaris Bank for tax and UBA for non-tax collections) after three days of collection. At the end of the month, the values were swept to</p>	Satisfactory	<p>We noted that the IGR account is not used for FAAC and VAT Revenue allocations. This limits the value of having a TSA with one consolidated</p>

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
	the consolidated revenue account as part of the TSA.	<p>the consolidated IGR bank. For the 2018 APA year, this was Access Bank, and is currently FCMB (from 2019). From these accounts, the Accountant General can have access to make disbursements.</p> <p>The IVA team visited the Reconciliation Unit where the Officer in Charge generated reports of some collecting banks. He also demonstrated how the sweeping to the lead banks and carried out. Some reports were obtained. This requirement is marked as satisfactory on the basis the State has implemented a system that aggregates its revenues, albeit not as part of a deliberate TSA policy as at 2018.</p>		revenue treasury account for State revenues
5	Does the TSA cover a minimum of 50% of the State Government's finances?	The TSA was not in operation. Therefore, no basis for the computation.	Unsatisfactory	The State should ensure all government finances flow through the TSA.
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	Consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting approved by the state legislature and published		Not Achieved	
1	Does the state have up-to-date consolidated revenue code which includes all the state's IGR sources and all the local governments (falling under that state) IGR sources? IGR sources include presumptive tax, indirect taxes and levies (roads, hotels), fines, fees and charges. Personal income tax, including PAYE, which is collected by	<p>Our review of the Kano State MDA Revenue Harmonisation Law 2016 (1437AH) showed that:</p> <ul style="list-style-type: none"> a) The law does not include all the local governments' IGR sources and rates. b) The law does not cover revenue sources of the State government c) It is not clear the MDA sources and rates have been approved by the State Assembly, and, 	Unsatisfactory	The State should harmonise and amend the Revenue Law to include the revenue codes, sources and rates applicable for each revenue categories accruable from MDAs and all Local Governments.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
	the State and covered by the federal tax code.	d) There are no harmonized lists of LGA revenue sources and rates.		
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) as the sole agency responsible for state revenue (tax and non-tax) collection and accounting in the state?	<p>The IVA reviewed the Kano State MDA Revenue Harmonisation Law 2016 (1437AH). It was stipulated in Section 3(3) of Kano State MDA Revenue Harmonisation Law 2016 (1437AH) that ‘the account shall be maintained and operated with IGR reporting Bank, which shall account for all revenues collected by leads banks through designated collecting banks as may from time to time be authorised by the Governor or any other person authorised by him’.</p> <p>Also, Section 4(2) Kano State MDA Revenue Harmonisation Law 2016 (1437AH) states that ‘Notwithstanding the provision of section 7 of this Law, all MDAs shall remit generated revenue to the office of the Executive Chairman at the end of each month through the designated bank.</p>	Satisfactory	
3	Is Collection of revenues made into accounts nominated by the SBIR for the SBIR to be deemed responsible for collection?	The Accountant-General nominated the revenue receiving banks, contrary to the functions of the SBIR.	Unsatisfactory	The State should ensure the SBIR is responsible to nominate the accounts where revenue of the State should be paid into according to the revenue law of the state. The SBIR should also revalidate existing accounts.
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.	The revenue code is yet to be approved by the State Assembly.	Unsatisfactory	The State should ensure that the code is fully approved by all parties before the end of the year.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	The revenue sources (though unapproved) were published online at www.kirs.gov.ng. The IVA had an interactive meeting with KIRS. ICT officials and demonstrated how to confirm the date of publication on the website. 21 November 2018 was determined as publication date.	Unsatisfactory	The State should publish the approved code.
DLR 4.2	Annual nominal IGR growth rate meets target		Not Achieved	
1	Has the 2018-2017 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20%-39%, Stretch Target: 40% or more	The Year on Year IGR growth rate for 2018 and 2017 resulted into 3.98% growth. <u>N44,107,375,284.25 – N42,419,811,470.67</u> N42,419,811,470.67 =3.98% Source: 2018 Audited Financial Statement Pg.: 11; and KIRS report.	Unsatisfactory	The State should intensify efforts towards at least a 20% rate of revenue growth.
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to Reduce Payroll Fraud				
DLR 5.1	Biometric capture of at least [60] percent of current civil servants [and pensioners] completed and linked to payroll, and identified ghost workers taken off the payroll		Not Achieved	
1.	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 60% of the current civil servants on the state payroll?	The State claimed to have carried out biometrics exercise as far back as 2016 for all the Civil Servants (100%). The State however does not have the biometrics report and other convincing evidence that the biometrics exercise had been used to reduce payroll fraud. Only Payroll information of the State’s Civil Servants were provided in soft copies for the	Unsatisfactory	The State should conduct a fresh biometrics exercise as the previous one appears to have been abortive.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		<p>month of Nov. 2018 with a total of 54,953 civil servants enlisted.</p> <p><u>Additional information</u> A visit was paid to the State's Office of the Head of Civil Service, where discussion was held with the Permanent Secretary (PS) and the Director in charge of Salaries and Wages. The PS informed the team that the State had carried out biometric exercise for all the State's civil servants in the past (100%), though they did not have the report because of some unresolved issues between the State and the consultants that handled the biometric capturing.</p> <p>Two members of staff (civil servants) also provided their evidence of biometric data capture to prove that biometrics exercise took place in the State between 2016 and 2018. However, the State does not have a comprehensive report and evidence that the exercise was used to reduce payroll fraud.</p>		
2	Has the State linked the biometrics data to the state payroll to identify ghost workers?	There was no sufficient evidence that a successful biometric data capture exercise was conducted in the State and no records of identified ghost workers.	Unsatisfactory	The State should link Biometric data to payroll and identify any ghost workers.
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	The State provided a list of Civil Servants with duplicate BVN and conflicting bank names. No further information was provided to confirm that they are ghost workers or that they were removed.	Unsatisfactory	The State should remove confirmed ghost workers and ghost pensioners within three (3) months.
5.2	Link BVN data to at least [60] percent of current civil servants [and pensioners] on the payroll and payroll fraud addressed		Not Achieved	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
1	Has the State linked the Bank Verification Number data to 60% of its current Civil Servants on the state payroll?	The State provided payroll information as at Nov. 2018 for the State civil servants. It did not contain BVN information verified by IVA team.	Unsatisfactory	The State should link the Bank Verification Numbers of its Civil Servants and Pensioners to the State payroll to prevent fraud.
2	Has the State taken steps to identify payroll fraud?	The State had begun a fresh attempt to identify payroll fraud by engaging "System Specs" to use the BVN to reduce payroll fraud in 2019. The payroll information provided for year 2019 showed some BVN information.	Unsatisfactory	The State should take steps to combat payroll fraud and ensure these steps and results achieved are documented and verifiable.
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) eProcurement; 2) establishment of an independent procurement board and 3) cover all MDAs receiving funds from the state budget		Not Achieved	
1	Does the State have a public procurement legal framework which must be approved by the state legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval of the public procurement legal framework shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	The State does not comply with this requirement as there is no law in place. There is however a Kano State Public Procurement Bill, 2018 in progress.	Unsatisfactory	The State should speedily enact a Public Procurement Law that conforms with the UNCITRAL model law.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations												
2	<p>Does the law conform with the UNCITRAL Model Law which should provide for: 1) eProcurement; 2) establishment of an independent procurement board; and 3) cover all MDAs receiving funds from the state budget.</p>	<p>The Bill is structured in accordance with the UNCITRAL Model. The Bill is not substantially compliant to the DLR 6 requirements.</p> <ol style="list-style-type: none"> 1. E-Procurement: (Compliant); see section 46 (1) and (2). 2. Establishment of an independent procurement board. (Non-Compliant) <p>The results of our assessment of the legislation for independence are on the table below:</p> <table border="1" data-bbox="751 581 1356 1198"> <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 15 and 16</td> </tr> <tr> <td>The composition of the Board.</td> <td>Compliant; see section 6(1).</td> </tr> <tr> <td>Membership of the Board/Council includes representatives from Professional Bodies /Associations.</td> <td>Compliant; see section 6(1)(d).</td> </tr> <tr> <td>The grounds for removal of the Chief Executive of the Agency.</td> <td>Non-compliant; No specific provision of grounds for removal. See section 18(3).</td> </tr> <tr> <td>Regarding decisions of the Agency or Board; any other review after the board's decision should be by judicial review.</td> <td>Non-compliant; see section 91(2)(iii). Bidders have to lodge appeals against Board decisions to the Executive Council.</td> </tr> </tbody> </table> <p>*Provided by the World Bank</p> <p>3) Regarding coverage of all MDAs receiving funds from the state budget. – The bill applies to all State MDAs, procuring entities and LGAs.</p>	Required provisions*	Result	The Functions and Powers of the Agency	Compliant; see sections 15 and 16	The composition of the Board.	Compliant; see section 6(1).	Membership of the Board/Council includes representatives from Professional Bodies /Associations.	Compliant; see section 6(1)(d).	The grounds for removal of the Chief Executive of the Agency.	Non-compliant; No specific provision of grounds for removal. See section 18(3).	Regarding decisions of the Agency or Board; any other review after the board's decision should be by judicial review.	Non-compliant; see section 91(2)(iii). Bidders have to lodge appeals against Board decisions to the Executive Council.	Unsatisfactory	<p>The State should make the following improvements to its draft legislation.</p> <ol style="list-style-type: none"> i. Amend to ensure it provides for grounds for removal of Chief Executive of the agency. ii. Amend to ensure that regarding the decisions of the agency; any other review after the board's decision should be by judicial review.
Required provisions*	Result															
The Functions and Powers of the Agency	Compliant; see sections 15 and 16															
The composition of the Board.	Compliant; see section 6(1).															
Membership of the Board/Council includes representatives from Professional Bodies /Associations.	Compliant; see section 6(1)(d).															
The grounds for removal of the Chief Executive of the Agency.	Non-compliant; No specific provision of grounds for removal. See section 18(3).															
Regarding decisions of the Agency or Board; any other review after the board's decision should be by judicial review.	Non-compliant; see section 91(2)(iii). Bidders have to lodge appeals against Board decisions to the Executive Council.															

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
3	Has the state instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: board, bureau, commission, council, agency or any other type of entity set up for the statutory purpose?	<p>The State has a procurement regulatory function known as the Due Process Bureau, although not yet backed by law, and therefore not independent.</p> <p>To further confirm that the bureau is active and effective, an interview was held with the management and relevant questions were asked. Specifically, for this purpose a questionnaire was designed.</p> <p>The bureau prescribes procurement guidelines and regulations for all procuring entities in the State and also conducted procurement audit recently for years 2015-2019.</p> <p>There is evidence that the bureau maintains a database of contractors and service providers in the State. A review of some of the procurement cases in 2018 substantiated the functioning of the bureau.</p>	Unsatisfactory	
DLR 6.2	Publish contract award information above a threshold set out in the Operations Manual on a monthly basis in OCDS format on [the state website/ on the online portal]		Not Achieved	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year that are above the threshold (as defined in the state procurement law or in the state procurement regulation(s)), in line with the Open Contracting Data Standards (OCDS). For 2018, states can publish the information on the state official website or online portal if already established.	<p>The State has no active website for procurement purposes and procurement information IS not published on the State’s Official website. As a result, contract award information and other contract related information are not published online.</p> <p>To this effect, the State has not complied with the open contracting data standards (OCDS).</p>	Unsatisfactory	The state should ensure Contract award information above the set threshold are published online using the OCDS format.
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	Approval of state-level public debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits		Not Achieved	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?	<p>The Public Finance Law of 1968 was provided to the IVA Team. Chapter 83 of Volume 2 contains an excerpt of the loans law, which is inadequate.</p> <p>The Federal DMO also confirmed that the State has no public debt law. However, the IVA was informed that there is a public debt bill under consideration at the State Assembly.</p>	Unsatisfactory	The State should enact an adequate Debt Management Law or Fiscal Responsibility Law.
2	Does the legislation include provisions which establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.	The excerpt of the Public Finance Law of 1968 available at the State was reviewed, and it provided for provision 1 (chapter 83 p.3), provision 3 (chapter 83) but without provision 2.	Unsatisfactory	The state should ensure the proposed Debt management law covers the provisions required under SFTAS

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations																									
DLR 7.2	Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018		Achieved																										
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2018?	<p>This DLI was assessed based on Q4 only, as the revised report template and DMO verification protocols were only implemented in Q4 2018.</p> <p>The State provided the SDDR for all the quarters for 2018 in soft and hard copies which were acknowledged by DMO. The DMO report stated that the State's Q4 2018 submission was within the SFTAS timeline.</p> <table border="1"> <thead> <tr> <th></th> <th>PERIODS</th> <th>APA DEADLINE</th> <th>DATE SUBMITTED</th> <th></th> </tr> </thead> <tbody> <tr> <td>Q 1</td> <td>Jan -Mar</td> <td>31-May-18</td> <td>26-Jun-18</td> <td>87 DAYS</td> </tr> <tr> <td>Q 2</td> <td>Apr - Jun</td> <td>31-Aug-18</td> <td>19-Sep-18</td> <td>81 DAYS</td> </tr> <tr> <td>Q 3</td> <td>Jul - Sep</td> <td>30-Nov-18</td> <td>30-Nov-18</td> <td>49 DAYS</td> </tr> <tr> <td>Q 4</td> <td>Oct - Dec</td> <td>28-Feb-19</td> <td>11-Feb-19</td> <td>50 DAYS</td> </tr> </tbody> </table>		PERIODS	APA DEADLINE	DATE SUBMITTED		Q 1	Jan -Mar	31-May-18	26-Jun-18	87 DAYS	Q 2	Apr - Jun	31-Aug-18	19-Sep-18	81 DAYS	Q 3	Jul - Sep	30-Nov-18	30-Nov-18	49 DAYS	Q 4	Oct - Dec	28-Feb-19	11-Feb-19	50 DAYS	Satisfactory	
	PERIODS	APA DEADLINE	DATE SUBMITTED																										
Q 1	Jan -Mar	31-May-18	26-Jun-18	87 DAYS																									
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Q 4	Oct - Dec	28-Feb-19	11-Feb-19	50 DAYS																									
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO:</p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p>	<p><u>Initial findings</u></p> <p>The SDEDR and SDDR documents received from the state and DMO were reviewed for completeness. The review showed the following</p> <ol style="list-style-type: none"> 1. There is a difference of N5,070,719,929.36 by which the financial statement is higher than the DMO external debt figure. This is due to the inclusion of IDA (International Development Association) debt for NEWMAP PROJECT amounting to N4,807,454,659.49 received on 2/7/2019, not recorded in the DMO external debt report. similarly, the state 	n/a	The State should reconcile the Federal DMO reports and the State annual financial statements in advance of annual audits being finalised.																									

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations								
		<p>claimed that exchange rate difference of N263,265,269.87 accounted for the balance.</p> <p>2. (a). The DMO figure is higher by N76,399,828,694.11 (122,030,712,694.11 – 45,630,884,000) than the figure stated in the financial statement on domestic debt as stated below:</p> <table border="1" data-bbox="846 467 1352 548"> <thead> <tr> <th>DMO Record</th> <th>Audited. Fin. Statement</th> </tr> </thead> <tbody> <tr> <td>122,030,712,694.11</td> <td>45,630,884,000</td> </tr> </tbody> </table> <p>(b). The state explained that the difference is as a result of debts that are yet to be verified thoroughly. (See Appendix A for details).</p> <p><u>Update after State’s response to draft report</u> The difference was re-calculated using the revised Domestic Debt figures obtained from the DMO, CBN and FMOF - see below</p> <table border="1" data-bbox="846 943 1352 1024"> <thead> <tr> <th>Updated Figure</th> <th>Audited. Fin. Statement</th> </tr> </thead> <tbody> <tr> <td>122,391,217,624</td> <td>45,630,884,000</td> </tr> </tbody> </table> <p>The unsubstantiated difference is therefore N76,760,333,624.</p>	DMO Record	Audited. Fin. Statement	122,030,712,694.11	45,630,884,000	Updated Figure	Audited. Fin. Statement	122,391,217,624	45,630,884,000		
DMO Record	Audited. Fin. Statement											
122,030,712,694.11	45,630,884,000											
Updated Figure	Audited. Fin. Statement											
122,391,217,624	45,630,884,000											
	DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears											
DLR 8.0	Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.		Not Achieved									

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
1	Has the State established an Arrears Clearance Framework (ACF)?	The State has not established an Arrears Clearance Framework (ACF). The State confirmed this position through its response on the Result Submission form and during the exit meeting.	Unsatisfactory	The State should prepare and implement an ACF as well as an internal domestic arrears database, in line with the detailed guidance provided for this DLR.
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	See above	Unsatisfactory	See above
3	Has the ACF been published on a state official website?	See above	Unsatisfactory	See above
4	Has the State established an Internal Domestic Arrears Database?	The State confirmed it does not have the Internal domestic arrears database through the Results Submission form it completed.	Unsatisfactory	See above
5	Has the State published online elements of the internal domestic arrears database on a state official website, which constitutes the online publicly accessible arrears database?	See above	Unsatisfactory	See above
DLI 9: Improved Debt Sustainability				
DLR 9.0	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2018] AND Total debt stock at end Dec [2018] as a share of total revenue for FY [2018] meets target: -Basic target: < [150%] -Stretch target: < [125%]		Achieved Stretch Target Met	
	Has the State met: (i) the ratio of total debt stock at end-of-year (31 st December 2018) of the year of assessment to the total revenue collected during the calendar year of the	Computation based on DMO Figure 2018 APA Computation on Debt/Total Revenue Total Revenue (Pg. 6 of the FS) - N150,707,453,000.00	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
	<p>year of assessment (1st January to 31st December 2018). Basic target:< [150%], Stretch target: < [125%]</p>	<p>Less: Paris Club (Pg. 35,note 8) - <u>(₦ 17,152,924,000)</u> Adjusted Revenues - ₦133,554,529,000</p> <p>Total Debt (based on DMO Report) Amended Domestic Debt – N122,391,217,624* External Debt - <u>N19,466,584,410.18</u> Total - <u>₦141,857,802,034.39*</u></p> <p><u>₦ 141,857,802,034.39</u> X 100 ₦133,554,529,000</p> <p>Total Debt/Revenue = 106%</p> <p>*Table 3 below holds a breakdown of the Total Debt</p> <p><i>The difference between the Debt figures in the 2018 Audited FS and the Debt Figures from the DMO has been raised as an issue – see Appendix A.</i></p>		
	<p>Has the State met:</p> <p>(ii) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1st January to 31st December 2018) to the gross FAAC allocation for the same calendar year.</p> <p>Less than :< [40%]</p>	<p>The percentage of total monthly debt service deductions to the Gross FAAC is 6.7%.</p> <p>Total Service Deduction: <u>N6,020,863,493</u> Gross FAAC Allocation: N90,406,602,968 =6.7%</p> <p>Source: FMoF (FAAC)</p> <p>The IVA reviewed the report of the Accountant General and financial statement with FAAC Report from FMoF. They were adjudged to be adequate.</p>	Satisfactory	

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

NAIRA	KANO
1. BUDGET SUPPORT LOAN (SOURCE FMOF)	17,569,000,000
2. BAIL OUT (SALARIES) (SOURCE CBN)	17,116,768,144
3. RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
4. EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,441,747,655
5. STATE BONDS	-
6. COMMERCIAL BANK LOANS	-
7. CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
8. BAIL-OUT (INFRASTRUCTURE)	647,641,107
9. MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF) (SOURCE CBN)	2,000,000,000
10. JUDGEMENT DEBTS	-
11. GOVT - GOVT DEBTS	-
12. CONTRACTORS' ARREARS	28,858,408,153
13. PENSION AND GRATUITY ARREARS	45,640,094,373
14. SALARY ARREARS AND OTHER CLAIMS	841,500,000
15. OTHER DEBTS	276,058,192
TOTAL DOMESTIC DEBT (TDD)	122,391,217,624
TOTAL EXTERNAL DEBT (TED)	19,466,584,410
TOTAL PUBLIC DEBT (TED+TDD)	141,857,802,034

Table Notes

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

4. Response from the State

The State SFTAS secretariat have received your draft report with the keen interest of looking forward on how to achieve all the DLIs. Haven studied the report with the stakeholders, after deliberation we realize that key performance indicators which were recorded as satisfactory and unsatisfactory as our references in your tabulated report. Thus, our prayers are the DLI with satisfactory remarks will be granted to state as being achieved. While we have no objection on DLIs with unsatisfactory remarks, but only DLI 9 was categorically stated not concluded in your remarks.

On this note, 2No staff were mandated to visit the DMO office Abuja to reconcile the discrepancies on 3rd February 2020 and the following observation were made during the reconciliation meeting at DMO Abuja:

Response for Further Consideration	IVA Response
That Back Office of the DMO agreed to update the external debt stock of Kano State with the receipt of NEWMAP Subsidiary Loan Agreement and Bank Statements. (see evidence attached) That they can only give respond to IVA if a formal request is forwarded to them by the IVA. That it is all understood and agreed the decision taken by the State on LGs' Pension & Gratuity Arrears written-off is in order.	Noted. We relied on revised data from FMoF, CBN and the Federal DMO for the computation on this DLR. We recomputed the percentage ratios (see DLR 9 above) which has been assessed as "Achieved".

Appendix A

ISSUE REPORTING TEMPLATE FOR THE SFTAS ANNUAL PERFORMANCE ASSESSMENT

Introduction:

This form is to be used by all the assessment teams to submit any issue encountered during the Annual Performance Assessment (APA) at the state. **Note:** All issues raised must be sent by email to the state focal officer and a copy to sftas@oaugf.ng, sftas.iva@gmail.com and sftas@jkconsulting-ng.com

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

ISSUE 7

State:	Kano
DLI affected:	DLI 9
Prepared by:	Anthony Murphy Abang
Date:	17/12/19

1. APA Issue [DEBT STOCK]

2. Description of finding/issue:

The DLI provides that:

Total debt stock at end Dec 2018 as a share of total revenue for 2018 financial year meets target.

Recall that the IVA observed a discrepancy between the N122,030,712,694.11 reported as Domestic debt stock to DMO and N45,630,884,313.00 reported in the 2018 financial statements (page 7 and 41) with a difference of N76,399,828,694.11. Though the DMO figure was used in the calculation of the debt ratio, the state was asked to reconcile the figures. (see “**Summary of work done and evidence obtained on DLR 9**”)

This was reinforced by the Quality Assurance unit of the IVA review of your state.

3. Effects

Non satisfactory explanation will influence the reliability on the 2018 financial statement based on the materiality of the omission of over N76,399,828,694.11 debt stock from the financial statement.

Clarification or information requested from the state

Kindly explain why the domestic debt of N122,030,712,694.11 from DMO did not reflect in the 2018 financial statements, and the rationale for reflecting the amount of N45,630,884,313.

4. State to insert response below

- fact is that, the Pension (and some contractors') arrears of the State reported to DMO, Abuja consist of largely the LGCs and State Universal Basic Education Board SUBEB's staff contributions to Pension Funds Trustees which is a contingent Liability to the State. Hence, it was not reported in the Financial Statement and as at the year-end, it was not thoroughly*

verified. More so, the issue was discussed with SFTAS team in Abuja during the Domestic Expenditure Arrears Management Workshop in October this year.

- 2. The rationale for reflecting the amount of N46Billion in the financial Statement is because it replicates the external and Domestic Debts (excluding Arrears) actually verified and confirmed by the relevant authorities (State's Debt Management Department, DMO Abuja, etc.)*

.....
Submitted by Omesue Chukwudike

Appendix B

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

Kano State

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

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

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

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

Overview				
Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
https://kanoassembly.gov.ng/8th-ksha/ https://www.kanostat.e.gov.ng/?q=ministry-planning-budget https://www.kanostat.e.gov.ng/?q=ministry-finance https://www.kanostat.e.gov.ng/?q=office-state-auditor-general-0 https://www.kanostat.e.gov.ng/	A search was done on Kano State website	The 2019 Budgets were published on the State Official website, a copy was downloaded. There's no evidence of 2019 Budgets being signed by the governor.	A request was made on 12/03/2019 to the focal persons to provide evidence of the governor's assent	EC was met The State focal persons responded on 15/03/19 providing an attached document to the state governor's assent. A copy was saved.

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

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

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

Source(s)	Initial Work Done	Initial Comments / Observation	Follow up	Final Assessment
https://www.kanostate.gov.ng/ https://www.kanostate.gov.ng/?q=mdas https://www.kanostate.gov.ng/?q=ministry-finance https://www.kanostate.gov.ng/?q=search/node/accountant https://www.kanostate.gov.ng/sites/default/files/kano-state-financial-statement-for-the-year-2017.pdf	A search was done on Kano State website	The 2017 Financial Statements were published on the State official website, a copy was downloaded	N/A	EC met

Tests/checks performed	Results	Areas for improvement
Were the Financial Statements (FS) for 2017 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)	Yes	
Were the Financial Statement for 2017 available published online before 31 December 2018?	Yes	
Are the published financial statements clear and legible?	Yes	
Can the Financial Statements be downloaded?	Yes	
Do we have evidence of audit by the State Auditor-General?	Yes	
Are the financial statements complete, including primary statements and disclosure notes?	Partly	No detailed disclosure notes provided. Disclosure Notes should be published along with the Financial Statements
Are there any indications that balances within the financial statements are not credible	Partly	i. Share of VAT not provided, ii. No detailed notes to the FS. iii. Only 2017 values reported (No comparatives). iv. Social benefits not provided. Perhaps lumped with salary? Need to disaggregate. v. Repayment of borrowing not disaggregated by internal and external