



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

2019 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**



November 2020

Table of Contents

1. Executive summary	3
2. Introduction	5
2.1 Overview	5
2.2 Scope.....	5
3. Assessment Results	6
3.1 Findings	6
4. Response from the State	28
Appendix A – Report on the achievement of the Eligibility Criteria for 2019	31

1 Executive Summary

This Report details the outcome of the Annual Performance Assessment (APA) conducted on Kano State for the second (2019) 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 2019 APA for Kano State and shows areas where the State achieved results. In total, Kano State achieved **2 (two)** DLRs out of 15 DLRs applicable to 2019.

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 do the following:

1. **DLR 1.1:** Budget implementation reports should 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). It should also state balances against each of the revenue and expenditure appropriations. The balances should also be provided on a consolidated basis across the four (4) expenditure classifications.
2. **DLR 1.2:** Expenditure outturn deviation is reduced to a level within the annual requirements for this result.
3. **DLR 2.1:** Conduct public consultation on the proposed budget with the participation of Local Government Authorities and State based CSOs. The minutes of the consultation should be jointly prepared and signed with the CSOs representatives and be posted on the States' website with the proposed budget.
4. **DLR 2.2:** Prepare and publish online the Citizens Budget before the due date.
5. **DLR 3.0:** Develop a functional State-level TSA where all Government revenues (IGRs ad FAAC) are credited before expenditure. Formally approve a cash management strategy. Increase the percentage of State Government finances flowing through the TSA to at the least the minimum required to achieve this result.
6. **DLR 4.1:** Enact the Revenue Law (alongside with the revenue code). The revenue law should clearly state the sources of the revenues, (including the Local Governments sources). The enacted revenue law and code should be published online.
7. **DLR 4.2:** Increase IGR to achieve a minimum of 20% nominal annual growth rate.
8. **DLR 5.1:** Ensure the biometric data of all the State's civil servants and pensioners is captured and linked with the State's payroll to reduce fraud.
9. **DLR 5.2:** The BVN data of all Civil servants and Pensioners is linked to the State's payroll to address payroll fraud.
10. **DLR 6.1:** Enact the Procurement Law that comply fully with the provision for the establishment of an independent Procurement Regulatory Agency in accordance with the UNCITRAL Model Law.
11. **DLR 6.2:** Publish contract award information, above the set threshold, and on a monthly basis in OCDS format on the State's website.
12. **DLR 7.1:** Enact the Fiscal Responsibility law and/or State Debt Management Law to provide for the responsibilities for contracting state debts, recording and reporting state debts, to establish fiscal and debt rules/limits.
13. **DLR 8:** A Domestic Arrears Clearance Framework (ACF) is established and an internal domestic arrears database with relevant balances placed online through a publicly accessible portal. Domestic arrears are cleared year on year to achieve total reductions in arrears in line with the targets set for this DLR.

Furthermore, we noted the debt stock stated in the Federal DMO State Domestic and External Debt Report is higher by N33,942,323,565 than the debt stock stated in the audited financial statement. This represents a 24.75% difference.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved
Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY19 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		The State published the report on average 37.9 weeks after the quarter end.
	DLR 1.2: FY19 deviation for total budget expenditure is < 25%		Budget deviation was 40.11 %.
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 FY2020 budget.		The minutes of meeting was not jointly signed by CSO representatives.
	DLR 2.2: Citizens' budget based on approved FY19 State budget published online by end April 2019.		The date of publication could not be ascertained.
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 60 percent of state government finances implementation of State TSA		The State does not have a Cash Management Strategy.
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		The Revenue code has not been approved by the State House of Assembly
	DLR 4.2: 2019-2018 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more		IGR nominal Growth Rate was 8%.
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 75 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		The State has not conducted a Biometric exercise.
	DLR 5.2: Link BVN data to at least 75 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		The State has linked 69.25% of BVN details of civil servants and pensioners to its 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 regulatory agency; and 3) Cover all MDAs receiving funds from the state budget.		A procurement law has not been amended.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the state website		There was no publication of contract award information online.

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
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.		The Debt law has not been amended.
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2019		The quarterly SDDR were accepted by the DMO within 5.8 weeks average after the end of each quarter.
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established and Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.		The State has no Arrears Clearance Framework and has not established Internal Domestic Arrears Database
DLI 9: Improved debt sustainability	Total debt stock at end of December 2019 as a share of total revenue for FY2019 meets target: Basic target: < 140%, Stretch target: < 115%. and Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2019.	Stretch target achieved	Monthly debt service deduction is 8.1% of Gross FAAC. Total Debt Stock to Revenue is 92.33%

The Office of the Auditor-General for the Federation as Independent Verification Agent and JK Consulting Co. Ltd 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 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 JK Consulting Co. Ltd 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 2019. 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 for each State.

2.2 Scope

This Annual Performance Assessment (APA) Report covers the State’s performance in 2019 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 2019 APA. The results of the eligibility assessment were reported previously to each state, and are included in Appendix A.

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 2019. The assessment results are binary (Pass or Fail), as that is how the Program for Results was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit and a template with which to report the results achieved. The assessments were conducted between 30/08/2020 and 05/09/2020 with a team of four persons, starting with an opening meeting where all the information requested were handed over. The visit was concluded with an exit meeting where the initial findings were discussed, and the State was given 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. Ltd 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

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 [2019] 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 on average within six weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on www.kanobudget.org as follows:</p> <table border="1" data-bbox="779 829 1409 1211"> <thead> <tr> <th colspan="5">COMPUTATION OF AVERAGE WEEK FOR PUBLICATION OF QUARTERLY BUDGET IMPLEMENTATION REPORT</th> </tr> <tr> <th>QUARTER</th> <th>DATE OF PUBLICATION</th> <th>DAYS</th> <th>WEEKS</th> <th>AVERAGE</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>February 27, 2020</td> <td>333</td> <td>47.6</td> <td></td> </tr> <tr> <td>Q2</td> <td>February 25, 2020</td> <td>240</td> <td>34.3</td> <td></td> </tr> <tr> <td>Q3</td> <td>July 22, 2020</td> <td>296</td> <td>42.3</td> <td></td> </tr> <tr> <td>Q4</td> <td>July 9, 2020</td> <td>191</td> <td>27.3</td> <td></td> </tr> <tr> <td colspan="2">TOTAL</td> <td>1060</td> <td>151.5</td> <td>37.9</td> </tr> </tbody> </table> <p>Average week for the online publication is computed below:</p> $\frac{47.6+34.3+42.3+27.3}{4}$ <p>Average = <u>37.9 Weeks (265.1 days)</u></p>	COMPUTATION OF AVERAGE WEEK FOR PUBLICATION OF QUARTERLY BUDGET IMPLEMENTATION REPORT					QUARTER	DATE OF PUBLICATION	DAYS	WEEKS	AVERAGE	Q1	February 27, 2020	333	47.6		Q2	February 25, 2020	240	34.3		Q3	July 22, 2020	296	42.3		Q4	July 9, 2020	191	27.3		TOTAL		1060	151.5	37.9	Unsatisfactory	The State should ensure all quarterly implementation reports are published within six weeks of the end of each quarter
COMPUTATION OF AVERAGE WEEK FOR PUBLICATION OF QUARTERLY BUDGET IMPLEMENTATION REPORT																																							
QUARTER	DATE OF PUBLICATION	DAYS	WEEKS	AVERAGE																																			
Q1	February 27, 2020	333	47.6																																				
Q2	February 25, 2020	240	34.3																																				
Q3	July 22, 2020	296	42.3																																				
Q4	July 9, 2020	191	27.3																																				
TOTAL		1060	151.5	37.9																																			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The IVA team downloaded the quarterly budget Implementation Reports for all four quarters of the year 2019 and obtained evidence of a time stamp of the publications.		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year to date, and balances against each of the revenue and expenditure appropriations.	<p>From the review of the Quarterly Budget Implementation reports downloaded from the State’s website on www.kanobudget.org we observed following:</p> <p>(a) The Budget Implementation Reports include the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classification of expenditures.</p> <p>(b) The Budget Implementation Reports for Q1 include the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year 2019, while Q2 -Q4 do not.</p> <p>(c) The Budget Implementation Reports include the balances against each of the revenue and expenditure appropriations.</p> <p>(d) The State does not have an amended/revised budget or passed supplementary budgets, so the 2019 budget is the basis of the reports.</p> <p>The reports include the approved budget appropriation for the year for each of the core economic classification 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>	Unsatisfactory	The State should ensure that the Budget Implementation Reports include the actual expenditures for the quarter attributed to each MDA and core economic classification as well as the cumulative expenditures for year to date.
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?	Upon review of the State’s Budget Performance reports, they did not state 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.	Unsatisfactory	The State should ensure the reports state the actual expenditures to each MDA and each expenditure classification as well as cumulative

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																							
				expenditures for the year to date.																							
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?	The IVA team further reviewed the State's Budget Performance reports and noted they stated the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications.	Satisfactory																								
DLR 1.2	FY [2019] deviation from total budget expenditure is less than 25%		Not Achieved																								
1	<p>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 fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 25%</p>	<p>The State computed the budget deviation for 2019 to be 40.11%</p> <p>The IVA computed the budget deviation for this APA year as stated below:</p> <p>I. Using accrual basis</p> <table border="1" data-bbox="779 1029 1409 1427"> <thead> <tr> <th colspan="3">Calculation of Expenditure Outturn Deviation</th> </tr> <tr> <th rowspan="2">Classification</th> <th>Original Budgeted</th> <th>Actual Outturn</th> </tr> <tr> <th>₱</th> <th>₱</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>133,920,140,513</td> <td>31,289,962,000.00</td> </tr> <tr> <td>Recurrent:</td> <td>86,050,835,496</td> <td>100,0448,209,000</td> </tr> <tr> <td>Personnel</td> <td>58,986,212,800</td> <td>58,082,018,000.00</td> </tr> <tr> <td>Other recurrent</td> <td>27,064,622,696</td> <td>42,366,191,000.00</td> </tr> <tr> <td>Total</td> <td>219,970,976,009.00</td> <td>131,738,171,000.00</td> </tr> </tbody> </table>	Calculation of Expenditure Outturn Deviation			Classification	Original Budgeted	Actual Outturn	₱	₱	Capital	133,920,140,513	31,289,962,000.00	Recurrent:	86,050,835,496	100,0448,209,000	Personnel	58,986,212,800	58,082,018,000.00	Other recurrent	27,064,622,696	42,366,191,000.00	Total	219,970,976,009.00	131,738,171,000.00	Unsatisfactory	The State should prepare achievable budgets and reduce the budget deviation to a level below the limits set for the result.
Calculation of Expenditure Outturn Deviation																											
Classification	Original Budgeted	Actual Outturn																									
	₱	₱																									
Capital	133,920,140,513	31,289,962,000.00																									
Recurrent:	86,050,835,496	100,0448,209,000																									
Personnel	58,986,212,800	58,082,018,000.00																									
Other recurrent	27,064,622,696	42,366,191,000.00																									
Total	219,970,976,009.00	131,738,171,000.00																									

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$\frac{\text{₦}219,970,976,009.00 - \text{₦}131,738,171,000.00}{\text{₦}219,970,976,009.00} \times 100$ $= 40.11\%$ <p>The budget performance deviation is 40.11%</p> <p>Source: 2019 Audited Financial Statement Pg. 14 and Approved Budget Pg. 1.</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 [2020] 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>Report of "town hall" consultation on the proposed budget and attendant list were obtained and reviewed. The following were found:</p> <ul style="list-style-type: none"> a) Only the representative of Rano LGA was in attendance. b) The CSOs representatives in attendance include Kano Budget Group (KNBG), Bunkure Development Association (BUDA), Kano Community Development Association (KACODA), Gaya Education Development Association (GEDA), Youth led organization located at KOFA village of Bebeji LGA called KOFA YOUTH, Garun Malam Youth Progressive Movement (GYPM), and others. c) The source of information on which the team based its conclusion was signed minutes of meeting, and signed attendance at the meeting. d) The Public Consultation was held on October 1, 2019 at Rano Emirate. e) 10 attendees were called through the telephone numbers stated in the attendance list to confirm their 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		attendance at the public consultation. Their responses were satisfactory. f) The proposed budget was published on February 25, 2020. g) The public consultation was done before the proposed budget was drafted.		
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 2020 to enable citizens to find the inputs easily?	a) The minutes of the public consultation was not signed. b) The title of the minute is REPORT ON TOWN HALL MEETING dated October 1, 2019. c) The proposed budget was published online on 25 th February 2020, after the 31 st January 2020 deadline. d) The weblink to the publication is www.kanobudget.org e) Also see Appendix A for weblinks to the proposed/final budget	Unsatisfactory	The minutes of the public consultation should be signed by the CSOs in attendance.
DLR 2.2 New	Citizens' budget based on approved FY19 State budget published online by end April 2019.			
1 New	Has the State published online, on the State website(s) a Citizens Budget based on the approved FY19 state budget not later than 30 April 2019?	The publication date could not be ascertained as the document was uploaded in a word format. The IT staff for the State also could not confirm the publication date.	Unsatisfactory	The State should ensure they publish online, on the State website the citizens' budget by no later than 30 April.
2 New	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY19 state budget?	The IVA confirmed that the Citizen's budget is comprehensible (to citizens) but it is not a summary of the approved FY19 State budget. It includes the 4 out of 5 key budget information from the original budget, as seen below: i. A simple explanation of the annual budget/citizen's budget. ii. Breakdown of revenues and expenditures. iii. Sectoral Allocation (MDAs by MDAs). iv. Top Projects to be financed.	Unsatisfactory	The State should ensure that Citizens budget is consistent with the approved budget

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																				
		<p>v. No budget deficit The Citizens budget is not consistent with the approved FY19 State budget. The areas of inconsistency are stated below:</p> <p style="text-align: center;">COMPARISM BETWEEN CITIZENS BUDGET & APPROVED BUDGET 2019</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>BUDGET ITEMS</th> <th>CITIZENS BUDGET</th> <th>APPROVED BUDGET</th> <th>VARIATION</th> </tr> </thead> <tbody> <tr> <td>PERSONEL</td> <td>61,550,000,000.00</td> <td>58,855,512,800.00</td> <td>2,694,487,200.00</td> </tr> <tr> <td>OVERHEAD</td> <td>24,500,000,000.00</td> <td>21,015,216,517.00</td> <td>3,484,783,483.00</td> </tr> <tr> <td>LOAN</td> <td>48,020,000,000.00</td> <td>28,017,500,000.00</td> <td>20,002,500,000.00</td> </tr> <tr> <td>TOTAL</td> <td></td> <td></td> <td>26,181,770,683.00</td> </tr> </tbody> </table>	BUDGET ITEMS	CITIZENS BUDGET	APPROVED BUDGET	VARIATION	PERSONEL	61,550,000,000.00	58,855,512,800.00	2,694,487,200.00	OVERHEAD	24,500,000,000.00	21,015,216,517.00	3,484,783,483.00	LOAN	48,020,000,000.00	28,017,500,000.00	20,002,500,000.00	TOTAL			26,181,770,683.00		
BUDGET ITEMS	CITIZENS BUDGET	APPROVED BUDGET	VARIATION																					
PERSONEL	61,550,000,000.00	58,855,512,800.00	2,694,487,200.00																					
OVERHEAD	24,500,000,000.00	21,015,216,517.00	3,484,783,483.00																					
LOAN	48,020,000,000.00	28,017,500,000.00	20,002,500,000.00																					
TOTAL			26,181,770,683.00																					
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	Has the State established a functional State-level TSA?	<p>a. The State has a functional State TSA with FCMB b. The State operates one account Account name: Federal Allocation Account Kano State (FAAC) Account number: 4968083022</p>	Satisfactory																					
2	<p>Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	The State does not have a cash management strategy.	Unsatisfactory	The State should implement an approved cash management strategy which covers the processes through which the State is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.																				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	The State does not have a computer application where the State can view the cash balances in the bank account.	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.												
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	The State has a functional State TSA which is domiciled with FCMB, Account name: Federal Allocation Account Kano State (FAAC) Account number: 4968083022 a) All government monies go through the account b) All government monies do not sit in the other revenue collecting banks. c) The FCMB TSA bank Statement was obtained.	Satisfactory													
5	Does the TSA cover a minimum of 60% of the State Government's finances?	The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cash flow Statement for the year ended 2019 as stated below: <table border="1" data-bbox="787 954 1402 1221"> <thead> <tr> <th></th> <th>INFLOW</th> <th>OUTFLOW</th> </tr> </thead> <tbody> <tr> <td>TSA BANK STATEMENT</td> <td>118,569,692,425.79</td> <td>114,918,808,239.46</td> </tr> <tr> <td>GOVERNMENT FINANCES*</td> <td>136,087,640,000.00</td> <td>131,738,172,000.00</td> </tr> <tr> <td>PERCENTAGE</td> <td>87%</td> <td>87%</td> </tr> </tbody> </table> The average percentage of cash flow is computation as: $\frac{87\% + 87\%}{2}$ $= 87\%$ The TSA covered 87% of the State's finances.		INFLOW	OUTFLOW	TSA BANK STATEMENT	118,569,692,425.79	114,918,808,239.46	GOVERNMENT FINANCES*	136,087,640,000.00	131,738,172,000.00	PERCENTAGE	87%	87%	Satisfactory	.
	INFLOW	OUTFLOW														
TSA BANK STATEMENT	118,569,692,425.79	114,918,808,239.46														
GOVERNMENT FINANCES*	136,087,640,000.00	131,738,172,000.00														
PERCENTAGE	87%	87%														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		*Sources: 2019 Audited Financial Statement (Cash flow Statement) Pg.11 & 12 and the TSA Statement from FCMB for Jan – Dec 2019.		
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		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?	The State Consolidated Revenue code has not been passed by the State Assembly hence did not meet this DLI.	Unsatisfactory	The State should pass the revenue code to law to include all State's IGR sources and all local governments.
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?	The State Consolidated Revenue code has not been passed by the State Assembly hence did not meet this DLI.	Unsatisfactory	The State should enact the Tax legislation with a provision that the SBIR/SIRS is the sole collector for all State government revenues.
3	Is the collection of revenues is made into accounts(s) nominated by the SBIR OR SBIR has full oversight of the accounts and is responsible for reporting and accounting for the revenues	The State Consolidated Revenue code has not been passed by the State Assembly hence did not meet this DLI.	Unsatisfactory	The tax law should provide that SBIR/SIRS nominates such accounts or oversees the operation of the account.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																		
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>	The State Consolidated Revenue code has not been passed by the State Assembly hence did not meet this DLI.	Unsatisfactory	The State should ensure that required law is concluded as soon as possible in view of upcoming APAs.																		
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	The State Consolidated Revenue code has not been passed by the State Assembly hence did not meet this DLI	Unsatisfactory	The State should publish the Revenue law, sources and rates online after the enactment.																		
DLR 4.2	Annual nominal IGR growth rate meets target		Not Achieved																			
1	<p>Has the 2019-2018 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: 20%-39% Stretch Target: 40% or more</p>	<p>a. The accounting basis used for revenue reporting in 2018 and 2019 observed from the Audited Financial statement is IPSAS accrual.</p> <p>b. The IVA computed the annual nominal IGR growth rate for year 2019 APA. See the computation below:</p> <table border="1" data-bbox="747 1032 1444 1343"> <thead> <tr> <th rowspan="2">Item</th> <th>2018</th> <th>2019</th> <th rowspan="2">%</th> </tr> <tr> <th>NGF</th> <th>NGR</th> </tr> </thead> <tbody> <tr> <td>1. Reported IGR in AFS (Before Adjustments)</td> <td>44,440,168,000</td> <td>42,122,575,000</td> <td>-5%</td> </tr> <tr> <td>3. INVALID items to be deducted IF reported as part of IGR</td> <td>328,178,000</td> <td>1,529,055,000</td> <td></td> </tr> <tr> <td>Paris club refund</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Item	2018	2019	%	NGF	NGR	1. Reported IGR in AFS (Before Adjustments)	44,440,168,000	42,122,575,000	-5%	3. INVALID items to be deducted IF reported as part of IGR	328,178,000	1,529,055,000		Paris club refund				Unsatisfactory	The State should improve on their IGR collection to at least achieve the minimum required for this result.
Item	2018	2019		%																		
	NGF	NGR																				
1. Reported IGR in AFS (Before Adjustments)	44,440,168,000	42,122,575,000	-5%																			
3. INVALID items to be deducted IF reported as part of IGR	328,178,000	1,529,055,000																				
Paris club refund																						

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)	318,523,000	6,344,000		
		Investment Income (e.g. dividends)	9,655,000	1,522,711,000		
		Interest Earned				
		Miscellaneous				
		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)	44,111,990,000	40,593,520,000	-8%	
		$\frac{\text{N}40,593,520,000.00 - \text{N}44,111,990,000.00}{\text{N}40,593,520,000.00} \times 100$ $= 8 \%$				
		There was a decline in IGR of 8%				
		Source: 2019 Audited Financial Statement Pg 20 & 21				
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud						
DLR 5.1	Biometric capture of at least [75] 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 75% of the current	The State has not carried out a Biometric data capture of the civil servant and pensioners.			Unsatisfactory	The State should ensure they cover 75% of current civil

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	civil servants and pensioners on the State payroll?			servants and pensioners The state should ensure the biometric exercise is linked with payroll
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	IVA found through interview, that the State has not carried out a Biometric data capture of the civil servants and pensioners, therefore no basis for linkage to payroll to identify ghost workers	Unsatisfactory	The data from the State's biometric exercise should be linked with payroll
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	IVA found no evidence that the State has removed confirmed ghost workers and ghost pensioners in the year under assessment.	Unsatisfactory	The State should complete the process of capturing all civil servants in the State and linking their biometric data to the payroll in order to identify ghost workers
5.2	Link BVN data to at least [75] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		Not Achieved	
1	Has the State linked the Bank Verification Number data to 75% of its current Civil Servants and pensioners on the State payroll?	From the review of the report submitted and the IVA's observation from the report spooled from the database, the State has a total number of 55,999 Civil Servants and 16,552 Pensioners as at 31 st December, 2019. 50,246 Civil Servants have their Bank Verification Number (BVN) data linked to the payroll, while BVN records for Pensioners were not provided. The IVA tested 20 random samples of the civil servants and confirmed that their BVN data has been linked to the payroll. The percentage of the civil servants and pensioners with BVN data linked to payroll is computed thus:	Unsatisfactory	The State should link the Bank Verification Numbers of its Civil Servants and Pensioners to the State payroll to prevent fraud.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$\frac{\text{No of BVN Linked} \times 100}{\text{Total no. of civil servants + pensioners}}$ $\frac{(50,246 + 0) \times 100}{(55,999, + 16,552)}$ $\frac{50,246 \times 100}{72,551} = 69.25\%$ <p>The State has linked 69.25% of the State' civil servants and pensioners BVN data to the payroll; therefore, did not meet the 75% minimum.</p>		
2	Has the State taken steps to identify payroll fraud?	The IVA confirmed that the State has taken steps to identify payroll fraud by setting up a Salary Validation Department in the Office of the Head of Civil Service of Kano State. The Department's responsibility is to validate monthly payroll and see that all observed and approved variations to the payroll have been implemented. Their findings are shared with the Office of the Auditor General for the State for further authentication.	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 MDAs receiving funds from the State budget		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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?	The IVA found that there was no public procurement legal framework amended and approved in the State in the year of assessment	Unsatisfactory	The State should speedily enact a Public Procurement Law that conforms with the UNCITRAL model law.
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.	The IVA found there was no public procurement legal framework established and approved in the State in the year of assessment and as a result could not confirm whether the State Law conforms to the UNCITRAL Model Law.	Unsatisfactory	<p>The State should ensure that the following are contained in the draft legislation.</p> <ul style="list-style-type: none"> i. Provides for grounds for removal of Chief Executive of the agency. ii. Regarding the decisions of the agency; any other review after the board's decision should be by judicial review.
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?	The State has instituted a procurement regulatory function called the Due Process Bureau, the State does not have a procurement law and as such the IVA could not determine the independence of the agency.	Unsatisfactory	The State should ensure the establishment of an independent procurement regulatory agency to effectively carry out the required functions.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 6.2	Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on [the State website/on the online portal]		Not Achieved	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year(2019) 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).	The IVA obtained a schedule of some contracts awarded in 2019 and confirmed that they have been documented in the OCDS format. Though the list is not comprehensive as the Due Process Bureau asserted that they do not enjoy the cooperation of some MDAs in the State due to the delay in the passage of their law. All the 2019 award of contracts information was not published on the official website as at the time of visitation.	Unsatisfactory	State should adopt the OCDS and publish contract award information online as required under the standard.
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.		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?	The IVA found that there was no amended state –level public debt legislation in the State in the year of assessment.	Unsatisfactory	The State should enact an adequate Debt Management Law or Fiscal Responsibility Law.
2	Does the legislation include provisions which establish the following?	The IVA found there was no amended state –level public debt legislation in the State in the year of assessment, and no basis to confirm.	Unsatisfactory	State should pass their public debt legislation to include the required elements.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.			
4	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt.	The IVA found the State has no Debt Management Department operational during the 2019 APA year.		State should establish a functional Debt unit.
DLR 7.2	Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarters in 2019		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 2019?	<p>The IVA obtained and reviewed the State’s quarterly Domestic Debt Report and observed that the State has submitted quarterly State Domestic Debts Reports (SDDR), which are approved by the DMO on average of two months after the end of each quarter in 2019. The 2019 SDDRs were submitted and acknowledged by DMO on the following dates:</p> <p>Q1 submitted on 29/4/19 - 4.1 weeks (29 days) Q2 submitted on 29/7/19 - 4.1 weeks (29 days) Q3 submitted on 29/11/19 -8.6 weeks (60 days) Q4 submitted on 14/02/20 - 6.4 weeks (45 days).</p> <p>Average submission in weeks is calculated as: $\frac{4.1+4.1+8.6+6.4}{4}$ =5.8 weeks</p> <p>The SDDRs were submitted within an average of 5.8 weeks. The above information on submission dates is however at</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		odds with the report from the DMO to the IVA and that has been raised for the DMO's attention.		
2	<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>The IVA team reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Kano State Debt Domestic Report. The DMO's SDEDR showed a balance of ₦131,802,883,565.00 while the State's report showed a balance of ₦128,901,807,645.57. The two reports showed a total difference of ₦2,901,075,919.09.</p> <p>From the review of the reports, the major area of difference is the State's Budget Support Loan which was overstated by ₦3,551,038,315.45. The report was supported with the DMO's templates and guidelines.</p> <p>A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the State's submission to the DMO. Conclusions reached in this report are based on the amended DMO data.</p>	N/A	State should submit accurate quarterly state domestic report
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	<p>Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established. AND Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.</p>	The State did not submit to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)	Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>-Basic target: At least a 5% decline or maintain stock below N5 billion</p> <p>-Stretch target: More than 20% decline</p>			
1	Has the State established an Arrears Clearance Framework (ACF)?	There was no ACF as at 31 st December, 2019.	Unsatisfactory	The State should establish an Arrears Clearance Framework (ACF)
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	There was no ACF as at 31 st December, 2019, hence no planned action to settle arrears or prioritization of expenditure arrears to be settled.	Unsatisfactory	<p>The ACF should contain:</p> <p>1) Planned actions to settle arrears</p> <p>2) An explicit prioritization of expenditure arrears to be settled</p>
3	Has the ACF been published on a State official website?	There was no ACF as at 31 st December, 2019, hence no publication on the State official website	Unsatisfactory	The State should ensure the ACF is published on her Official website
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	There was no ACF as at 31 st December, 2019, and could not evaluate its consistency with clearance of domestic expenditure arrears	Unsatisfactory	The State should ensure that the clearance of domestic expenditure arrears is consistent with the ACF
5.	Has the State established an Internal Domestic Arrears Database?	The IVA found no evidence to the effect that the State has established an internal domestic arrears database.	Unsatisfactory	<p>a) The state should ensure that they establish an internal domestic arrears database.</p> <p>b) The Internal Domestic Arrears Database should</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
						include aggregate and individual amounts of contractors' arrears; aggregate amount of pension and gratuity arrears; aggregate amount of salary arrears and other staff claims
6	Has the State published online elements of the internal domestic arrears database for the FY 2018 and FY 2019 reported on a State official website, which constitutes the online publicly accessible arrears database?	IVA found no weblink to show that the State has published online the required elements of the internal domestic arrears database for FY2019			Unsatisfactory	The State should ensure they publish online, elements of the Internal domestic arrears database.
7. New	Does the online publication include? 1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding N20million and information for contractors to be able to verify that their claims are being accurately reported in the database.	The IVA found no weblink to show that the State has published online internal domestic arrears, containing aggregate amount of contractors' arrears and other aggregate information of pension and gratuity arrears, as well as other debts exceeding N20million			Unsatisfactory	a) The State should ensure they publish online lists of contractors with recognised arrears exceeding N20million. b) The state should ensure contractors are able to verify that their claims are accurately reported
New	Has the State met the following:	Aggregate Amount of:	2019 NGR	2018 NGR	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations
<p>(ii) Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.</p> <p>-Basic target: At least a 5% year-on-year decline or maintain stock or arrears below N5billion.</p> <p>-Stretch target: More than 20% year-on-year decline.</p> <p>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 year, compared to the previous year, expressed in percentage terms.</p>	Contractors Arrears	52,274,004,336.69	28,858,408,152.97		
	Pension and Gratuity arrears	9,083,907,472.91	45,640,094,372.66		
	Salary arrears and Staff claims	1,213,944,968.87	841,500,000.00		
	Other types of domestic expenditure arrears	533,010,657.24	276,058,192.46		
	Total Domestic Arrears	63,104,867,435.71	75,616,060,718.09		
	<p>We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database and calculated the percentage reduction of domestic expenditure arrears as:</p> $\frac{2018 \text{ Figure} - 2019 \text{ Figure}}{2018 \text{ Figure}} \times 100$ $\frac{N75,616,060,718.09 - N63,104,867,435.71}{N75,616,060,718.09} \times 100$ $\frac{N12,511,193,282.38}{N75,616,060,718.09} \times 100$ <p>The percentage decline is 16.55%</p> <p>Source: State internal domestic expenditure arrears database</p>				
DLI 9: Improved Debt Sustainability					
DLR 9.0	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2019] AND			Achieved Stretch target met	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																						
<p>Total debt stock at end Dec [2019] as a share of total revenue for FY [2019] meets target: -Basic target: < [140%] -Stretch target: < [115%]</p>																									
<p>Has the State met: (i) 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 2019) to the gross FAAC allocation for the same calendar year? Less than :< [40%]</p>	<p>The IVA computed the percentage of total monthly service deductions/Gross FAAC Allocation for year 2019 APA as follows:</p> $\frac{\text{Total Service Deduction } \underline{N7,340,313,791} \times 100}{\text{Gross FAAC } N90,179,514,131} = 8.1\%$ <p>Source: FMOF (FAAC)</p>																								
<p>Has the State met: (ii) the ratio of total debt stock at end-of-year (31st December 2019) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2019)? -Basic target:< [140%] -Stretch target: < [115%]</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p>Total Public Debt</p> <table border="1" data-bbox="779 902 1415 1076"> <thead> <tr> <th></th> <th>Financial Statements</th> <th>DMO figures (Adj)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>74,542,933,000</td> <td>110,654,850,431</td> </tr> <tr> <td>Total External Debts</td> <td>23,317,627,000</td> <td>21,148,033,133</td> </tr> <tr> <td>Total Public Debts</td> <td>97,860,560,000</td> <td>131,802,883,565</td> </tr> </tbody> </table> <p>Total annual revenue</p> <table border="1" data-bbox="785 1162 1409 1346"> <tbody> <tr> <td>2019 Adjusted IGR (see DLI 4.2)</td> <td>40,593,702,000</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>90,179,514,131</td> </tr> <tr> <td>Grants (Note 3ai, 3aii)</td> <td>10,449,700,000</td> </tr> <tr> <td>Other Revenues (Note 8)</td> <td>1,522,711,000</td> </tr> <tr> <td>Total Revenue**</td> <td>142,745,627,131</td> </tr> </tbody> </table> <p>The IVA computed the total debts stock / revenue percentage for the 2019 year, as follows:</p>		Financial Statements	DMO figures (Adj)	Total Domestic Debts	74,542,933,000	110,654,850,431	Total External Debts	23,317,627,000	21,148,033,133	Total Public Debts	97,860,560,000	131,802,883,565	2019 Adjusted IGR (see DLI 4.2)	40,593,702,000	Gross FAAC Allocation	90,179,514,131	Grants (Note 3ai, 3aii)	10,449,700,000	Other Revenues (Note 8)	1,522,711,000	Total Revenue**	142,745,627,131	Satisfactory	
	Financial Statements	DMO figures (Adj)																							
Total Domestic Debts	74,542,933,000	110,654,850,431																							
Total External Debts	23,317,627,000	21,148,033,133																							
Total Public Debts	97,860,560,000	131,802,883,565																							
2019 Adjusted IGR (see DLI 4.2)	40,593,702,000																								
Gross FAAC Allocation	90,179,514,131																								
Grants (Note 3ai, 3aii)	10,449,700,000																								
Other Revenues (Note 8)	1,522,711,000																								
Total Revenue**	142,745,627,131																								

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
		$\frac{\text{Total Public Debts}^*}{\text{Total Revenue}} \times 100$ $\frac{131,802,883,565}{142,745,627,131} \times 100$ $=92.33\%$ <p>The State achieved stretch target.</p> <p>Sources: For Total Revenue: 2019 Audited Financial Statement, Pg 22. *Table 3 below holds a breakdown of the Total Debt. **Table 3(ii) holds the breakdown of Revenue</p> <ol style="list-style-type: none"> a. The debt stock stated in the Federal DMO State Domestic and External Debt Report is higher with N33,942,323,565 than the debt stock stated in the audited financial statements. This represents 24.75% difference. b. The difference has been communicated to the State for explanation. c. The SDEDR was not amended and resubmitted to the IVA along with explanations for any changes. 		

TABLE 3i: DLI 9 31 DECEMBER 2019 STATE DEBT STOCK TABLE FOR KANO STATE

KANO STATE	AMOUNT (₦) DMO
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,081,217,713
BAIL OUT (SALARIES) (SOURCE CBN)	15,866,768,144
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,117,333,802
STATE BONDS	-
COMMERCIAL BANK LOANS	-
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOANS (CBN FACILITIES)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	1,484,663,337
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	52,274,004,337
PENSION AND GRATUITY ARREARS	9,083,907,473
SALARY ARREARS AND OTHER CLAIMS	1,213,944,969
OTHER DEBTS	533,010,657
TOTAL DOMESTIC DEBT (TDD)	110,654,850,431
TOTAL EXTERNAL DEBT (TED)	21,148,033,133
TOTAL PUBLIC DEBT (TED+TDD)	131,802,883,565

TABLE 3(ii): DLI 9 31 DECEMBER 2019 - ADJUSTED REVENUE TABLE FOR KANO STATE

Item	2019
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	90,179,514,131
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	68,548,092,523
1.1.1 Gross statutory allocation	65,655,816,509
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	2,892,276,014
1.2 VAT	21,631,421,608
2. Internally Generated Revenues (IGR) - Adjusted	40,593,702,000
3. Grants (internal and external)	10,449,700,000
4A. Other revenues (4.1 + 4.2 + 4.3)	1,522,711,000
4.1 Investment Income (e.g. dividends)	1,522,711,000
4.2 Interest Earned	
4.3 Miscellaneous	
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	142,745,627,131

4. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	None	

Appendix A

REPORT ON THE ACHIEVEMENT OF THE ELIGIBILITY CRITERIA FOR THE 2019 PERFORMANCE YEAR

YOUR STATE HAS BEEN ASSESSED AS HAVING MET THE ELIGIBILITY CRITERIA FOR THE 2019 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 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 guidelines for more detail on eligibility.

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 2019 Part I - The online publication of Approved Budgets for 2020 by 31st January 2020

Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
https://kanobudget.files.wordpress.com/2019/12/app.-law.pdf	A search was done on Kano State website	The 2020 Budget was published on the State Official website, a copy was downloaded. There was evidence of the 2020 Budgets being signed by the Governor.	N/A	EC met

Tests/checks performed	Results	Areas for improvement
Is the approved budget for 2020 available on any of the State Government Websites?	Yes	None
Was the approved budget published online before 31 January 2020?	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	None

Eligibility Criteria 2019 Part 2 - The online publication of Audited Financial Statements for FY2018 by 30th September 2019

Source(s)	Initial Work Done	Initial Comments / Observation	Follow up	Final Assessment
https://kanofinance.org/	A search was done on the Kano State Ministry of Finance Website and their Audited Financial Statements were downloaded.	The Audited Financial Statements were easily accessed and downloaded.	N/A	EC met

Tests/checks performed	Results	Areas for improvement
Were the Financial Statements (FS) for 2018 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)	Yes	None
Were the Financial Statement for 2018 available published online on or before 30th September 2019?	Yes	None
Are the published financial statements clear and legible?	Yes	None
Can the Financial Statements be downloaded?	Yes	None
Do we have evidence of audit by the State Auditor-General?	Yes	None
Are the financial statements complete, including primary statements and disclosure notes?	Yes	None
Are there any indications that balances within the financial statements are not credible	n/a	Please see the 2018 APA Report