



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

2020 Annual Performance Assessment (APA) Report

KATSINA STATE

By:

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



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1. Executive Summary

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

Table 1 (below) reflects the outcome of the 2020 APA for Katsina State and showed areas where the State was able to achieve results. Katsina State achieved 10 (Ten) DLRs out of 15 DLRs applicable to the 2020 APA of which 1 (One) was achieved in 2019.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%		The budget deviation was 45%
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2021 budget.		
	DLR 2.2: Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms		
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 70 percent of state government finances.		
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	2021 APA result assessed early	
	DLR 4.2: 2020-2019 annual nominal IGR growth rate meets target: i.e. 2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection	Stretch Target Achieved	
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		
	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		
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	2019	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	<p>DLR 6.2: (Basic Target) Framework contract for e-Procurement signed by 31 December 2020 AND Publication of contract award information above the threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.</p> <p>DLR. 6.2 (Stretch Target) Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs AND <i>For those MDAs without e-procurement:</i> Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available</p>		Published Contract award information was not in the OCDS format.
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.		No provisions were seen covering the responsibility for recording/reporting state debt.
	<p>DLR 7.2: Quarterly state debt reports for Q2, Q3, and Q4 accepted by the DMO on average two months or less after the end of the quarter in 2020 AND Annual State debt sustainability analysis published by end of December 2020</p>		The Annual State Debt Sustainability Analysis was not published by the due date.
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	<p>DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place.</p> <p><u>Stretch Target:</u> Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with verification process in place AND at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock of arrears below 5 billion.</p>		<ul style="list-style-type: none"> State has not established an online publicly accessible Domestic Arrears Database The percentage decline in the verified stock of domestic arrears was less than 5% [or the stock of arrears was above 5 billion]
DLI 9: Improved debt sustainability	Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target: Basic target: < 150%, Stretch target: < 125%.	Stretch Target Achieved	

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

1. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
2. DLR 6.2: Contract award information, above the set threshold, should be published online every month in OCDS format on the State's website.
3. DLR 7.1: Amendment of the Fiscal Responsibility law and/or State Debt Management Law to provide for the responsibilities of contracting state debts, recording and reporting state debts, and establishing fiscal and debt rules/limits.

4. DLR 7.2: Domestic Debt Stock reports are accepted by the DMO and annual State debt sustainability analysis is published within the required timeframe.
5. DLR 8: A Domestic Arrears Clearance Framework (ACF) is established and an internal domestic arrears database with relevant balances is placed online through a publicly accessible portal. Domestic arrears are cleared year on year to achieve total arrears of less than N5bn as soon as possible.

The Office of the Auditor-General for the Federation (OAuGF) as Independent Verification Agent and PricewaterhouseCoopers (PwC) agree on all the results shown in this report.

2. Introduction

2.1 Overview

The Federal Government of Nigeria is implementing a four-year program to support the Nigerian States to strengthen fiscal performance and sustainability: The State Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results (“The Program”).

The original Programme design had four Key Result Areas and nine disbursement-linked indicators with a financing agreement of US\$750 million. Following the advent of COVID-19 in 2020, the Programme was adapted to establish a transparent, accountable, and sustainable fiscal framework to enhance States’ fiscal capacity to respond to the Pandemic. The main change brought about in the restructuring was the addition of new COVID-19 responsive DLIs to the Programme and obtaining additional financing of US\$750 million to ensure results were sustained across the remaining performance years. This brought the total financing for the SFTAS Programme to US\$1.5 billion and increased the DLIs to 13 (thirteen) and the Disbursement Linked Results to 22 (twenty-two). The Program will finance activities under two components: (i) a Program for Results (PforR) component for US\$1.45 billion and (ii) a Technical Assistance (TA) component for US\$50 million.

All States can participate in the Program in each of the four years and benefit from the PforR funds by meeting set Eligibility Criteria and any or all the indicators of fiscal transparency, accountability, and sustainability.

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and PricewaterhouseCoopers (PwC) was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2020.

To ensure a high-quality assessment, the IVA engaged the services of experts and had some input/support from Taxation and Debt Management Office (DMO) for Debt Management related DLIs to review the returns in place at this State.

2.2 Scope

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

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

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between 21/02/2022 and 25/02/2022 with a team of 6 persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2020] quarterly budget implementation reports published with Q2, Q3, and Q4 reports published on average within [4 weeks] of quarter end to enable timely budget management		Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on (https://www.katsinastate.gov.ng/about-katsina/2020-budget/) as follows:</p> <ul style="list-style-type: none"> • Q1 – (25/05/2020)- 55 days • Q2 – (21/07/2020 - 21 days • Q3 – (24/10/2020) -24 days • Q4 – (21/01/2021) - 21 days <p>Average days (weeks) for the online publication was computed based on the last 3 quarters, as below:</p> $\frac{21+24+21}{3}$ <p>Average = <u>22 days (3.14 weeks)</u></p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2020, obtained and retained evidence of the timestamp of the publications.		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s website (<i>see weblinks above</i>) we observed the following:</p> <ul style="list-style-type: none"> a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures. b) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations. d) The State has a revised budget e) The Budget Implementation Reports showed both the approved original budget AND the approved revised budgets. <p>The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations.</p>	Satisfactory	
3	Does the report State the actual expenditures for the	Upon review of the State’s Budget Performance reports, it stated the actual expenditures for each	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations						
	quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date?	quarter attributed to each MDA and each expenditure classification as well as the cumulative 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?	Upon review of the State's Budget Performance reports, it stated the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which included debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory							
DLR 1.2	FY [2020] deviation from total amended budget expenditure is less than 15%		Not Achieved							
1	Has the State computed the difference between the Amended approved total budgeted expenditure for the fiscal/calendar year and the actual total expenditure in the fiscal/calendar year, divided by the Amended	<p>The State did not compute the budget deviation.</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="667 1299 1297 1421"> <thead> <tr> <th></th> <th>Total Amended Budget (₦)</th> <th>Actual (₦)</th> </tr> </thead> <tbody> <tr> <td>Capital budget iii,</td> <td>107,179,970,219</td> <td></td> </tr> </tbody> </table>		Total Amended Budget (₦)	Actual (₦)	Capital budget iii,	107,179,970,219		Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	Total Amended Budget (₦)	Actual (₦)								
Capital budget iii,	107,179,970,219									

Disbursement Linked Indicators (DLIs) and Tests	Findings			Conclusion	Recommendations
<p>approved total budgeted expenditure and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 15%.</p>	Actual Pg 103 of 2020 AFS)		21,982,686,170.63		
	Rec. Exp budget iii, Actual pg 103 of AFS)	68,404,772,957	72,076,040,802.84		
	Total	175,584,743,176	94,013,594,937.66		
	$\frac{\text{N}175,584,743,176 - \text{N}94,013,594,937.66}{\text{N}175,584,743,176} \times 100$ <p style="text-align: center;">= 46.46%</p> <p>The budget performance deviation is 46.46%</p> <p>However, IVA adjusted Capital budget to include amended budget and actual figures for debt servicing charges to ensure the total budget and actual figures are accurate and reconciled to the revised approved budget and the 2020 AFS figures. IVA recalculated the figures as stated below:</p> <p>Public Debt Charges (Budget): N6,045,000,000</p> <p>Public Debt Charges (Actual): N6,489,708,277.14</p> <p>Amended Budget: N107,179,970,219</p> <p>Actual: N21,982,686,170.63</p> <p>Adjusted Amended Budget: N113,669,678,496.14</p> <p>Adjusted Actual: N28,027,686,171</p>				

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
			Total Amended Budget (₦)	Actual (₦)		
		Capital budget iii, Actual Pg 103 of 2020 AFS)	113,669,678,496.14	28,027,686,171		
		Rec. Exp budget iii, Actual pg 103 of AFS)	68,404,772,957	72,076,040,802.84		
		Total	182,074,451,453.14	100,103,726,973		
		$\frac{\text{₦}182,074,451,453.14 - \text{₦}100,103,726,973}{\text{₦}182,074,451,453.14} \times 100$ $= 45\%$				
		<p>The budget performance deviation is 45%</p> <p>Source: 2020 Audited Financial Statement Page 103 and Approved Revised Budget Pg iii</p> <p>IVA observed the following discrepancies:</p> <p>The State adopted the IPSAS Accrual basis of Accounting.</p> <p>Total cash outflow as per TSA bank statement FY 2020 was ₦75,433,460,721.62</p> <p>Total cash outflow as per cash flow statement was ₦100,548,435,250.61</p> <p>Total cash outflow as per the statement of financial performance and financial position was ₦110,464,898,166.36</p> <p>Cash released to MDAs by the Accountant General in 2020 was ₦11,348,732,359.85</p>				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>IVA raised an APA issue report for the state to explain the discrepancies stated above. The state responded that “The sum of ₦100,548,435,250.61 reported in the 2020 Cash Flow Statements represent outflows concerning compensation of employees, payment for social benefits, overhead costs, and total capital expenditure among others. While the sum of ₦11,348,732,359.85 cash released by the Treasury to MDAs in FY 2020 represents only cash allocations to some select MDAs on overhead costs, hence the difference.</p> <p>Please, note that the State pays staff salaries, allowances, other benefits, overhead, and capital expenditure centrally, so releases are often made to take care of very minor expenditures.</p> <p>The sum of ₦75,433,460,721.62 represented cash payments only from the TSA (United Bank for Africa Plc account) whilst some payments went through other bank accounts. Therefore, these sources couldn’t have amounted to the same”.</p>		
DLI 2: Increased Openness and Citizens’ Engagement in the Budget Process				
DLR 2.1	Citizens’ inputs from formal public consultations are published online, along with the proposed FY [2021] budget		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Did the State conduct at least one “town-hall” consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	<p>(All documents obtained and reviewed includes attendance register, minutes from the public consultations, and 2021 draft budget.)</p> <p>a) The LGAs in attendance includes: Rimi, Batangarawa, Baure, Zango</p> <p>b) The CSO representatives in attendance included Abdulrahman Abdullahi (Katsina State Budget Awareness Institute), HAJ. Rahani Masaud (Women Leader).</p> <p>c) The sources of information from which our conclusions were drawn are: minutes, attendance, pictures.</p> <p>d) The dates of the consultation on the budget proposal were 14th to 28th September 2020 and the venue is conference Halls of the old 7 local government area clusters secretariats.</p> <p>e) A sample of 10 attendees through phone calls were called and all confirmed present at the public consultation.</p> <p>f) The budget was drafted on 6th October, 2020.</p> <p>g) The date of the consultation is 14th to 28th September 2020 and the budget was drafted on 6th October, 2020. The consultation comes first.</p> <p>h) The publication of the proposed budget was done before the deadline of 31 January 2021 (14th to 28th September 2020).</p> <p>i) The weblink for the publication of the proposed budget is: https://www.katsinastate.gov.ng/wp-</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		content/uploads/2020/11/KTSG-2021-DRAFT-APPROPRIATION-LAW-1.pdf		
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2021 to enable citizens to find the inputs easily?	<p>a) The name of the CSO that co-signed the Minutes was Abdulrahman Abdullahi (Katsina State Budget Awareness Institute). The minutes of the public consultation published online were not signed by the CSO, but the hard copy provided by the state was signed by the CSO, a copy of the minutes has been retained on a file.</p> <p>b) The title and date of the minutes are Harmonized minutes of meetings of the 34 Local Governments on 2021 citizen budget and 2020 budget review, held at conference halls of the old 7 local Government area clusters secretariats from 14th -28th September 2020.</p> <p>c) The CSO that co-signed the Minutes was Abdulrahman Abdullahi from Katsina State Budget Awareness Institute.</p> <p>d) The weblink to the publication is: https://www.katsinastate.gov.ng/wp-content/uploads/2020/11/KTSG-2021-Budget-Citizens-Engagement-Reports-1.pdf</p> <p>The State is advised to have the minutes published online and should be signed by the CSOs in attendance.</p>	Satisfactory	
DLR 2.2	Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	2020 with functional online feedback mechanisms			
1.	Did the state conduct dissemination events to explain amendments to the FY2020 State budget and was adequate evidence of the events published online and by the due date?	<ul style="list-style-type: none"> a) A review was done on the video record, pictures, and attendance list. b) The amended budget and the evidence of the dissemination events have been downloaded. c) The dissemination was done physically on 29th June 2020. d) The evidence of dissemination events was published online before 30th September 2020, the events include a news clip for town hall meetings, attendance lists, and pictures. e) The evidence of the dissemination event was published in the same location as the Amended FY20 Budget. f) The dissemination event was published on 29th July 2020, a screenshot of the back end was obtained as evidence. g) The weblink of the publication are: - https://www.katsinastate.gov.ng/wp-content/uploads/2020/07/News-Clip-for-Town-Hall-Meeting.mp4 https://www.katsinastate.gov.ng/wp-content/uploads/2020/07/4-KTSG-Minutes-and-Attendance-of-2020-Budget-Review-Town-Hall-Meeting.pdf 	Satisfactory	
2	Has the State published online, on the State website(s) a Citizens Budget based on the Amended Budget (2020) not later than 30 September 2020?	The Citizens budget based on the Amended Budget (2020) was published before the due date via https://www.katsinastate.gov.ng/wp-content/uploads/2020/08/KTSG-2020-Revised-Citizens-Budget-2020-2.xlsx accessed on (22/02/2022).	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>a) A comparison of the Amended Budget 2020 with the Citizens Budget was done, with no significant areas of discrepancies.</p> <p>The Citizen’s budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template no discrepancies exist among the following:</p> <ul style="list-style-type: none"> i. Simple explanation of the annual amended budget/citizen’s budget. ii. The sources of revenues. iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. iii. Total expenditure by economic classifications. iv. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. v. Disclosure of Budget deficit and how it will be financed. vi. Sectoral Allocation (by MDAs). vii. Top Projects to be financed (at least 5). <p>However, IVA observed that in cell 32E of the second sheet of the Citizens budget (2020 Revised Budget Note) which holds N178,077,831,927 as the Total Receipts for the Year.</p> <p>The sources of the sub-components of the receipts are unclear and apply to relate to the combination of two</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>earlier entries titled 'Total Capital Development Fund' and 'Total Recurrent expenditure'.</p> <p>The above indicates a risk the Citizens Budget was not properly prepared, also the published budget deficit is likely to be majorly understated/misstated.</p> <p>The State is hereby to provide clarification on the sources of the sub-components of the Total Receipts for the year while responding to this report. Otherwise, this DLR is not achieved.</p> <p>The State responded that "the Total Capital Development Fund is N109,673,058,970 and the Sources of the Sub-Components of the Total Receipts of the year consist of:</p> <ul style="list-style-type: none"> i. Surplus Revenue Over Recurrent Expenditure ii. Estimated capital receipt iii. IDB loan iv. IFAD loan v. NEWMAP loan vi. RAMP loan vii. CBN health care intervention loan viii. Opening balance ix. SFTAS grant x. CARES grant (\$10m) <p>The Total Receipt for the year of N178,077,831,927.00 comprises of Total Recurrent</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Expenditure Allocation of N68,404,772,957 and all components lists in (i) above being funds available to be allocated as CAPITAL EXPENDITURE. However, at cell 36E shows the actual commitment for the Capital Expenditure which is higher than the available funds and Cell 39E shows the deficit budget of N3,551,911,249.00.</p> <p>More so, cell 41E indicates the source of funding the new deficit for the revised 2020 budget through Bond and at cell 42E is the final indicator of whether there is surplus/deficit budget.</p> <p>NOTE: This sheet (Cell 15 – Cell 42) does not formerly form part of the citizen budget template; however, it was made as a traditional budget system of the State over the past years”</p> <p>IVA reviewed the State’s response and found it to be satisfactory.</p> <p>b) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included.</p> <p>c) A different format was not used.</p>		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	<p>a. The Citizens Budget includes an explanation of the key changes between the Original FY20 Budget and the Amended FY20 Budget.</p> <p>b. The Citizens Budget included Data on reallocations and adjusted spending priorities.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		We confirmed that the amended FY20 state budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.		
4	Does the State website have functional feedback and response online mechanisms?	<p>a) The State has established functional feedback and response online mechanisms on its website.</p> <p>b) The type of feedback mechanism established on the State website is an online feedback form submission.</p> <p>c) The State's feedback mechanism provides at a minimum:</p> <ul style="list-style-type: none"> i. Acknowledgement of receipt of comments/feedbacks from citizens ii. State's responses to comments/feedbacks iii. Display of timeframe and the State's government contact details. <p>d) The test that was conducted to ascertain the functionality of the feedback mechanism was that IVA opened the CONTACT on the website a mail was sent on the portal, the result of that test was acknowledgement/ feedback was received from the State.</p> <p>e) A demonstration was done by the State Ministry of Budget and Planning to provide further evidence to demonstrate how the State has responded to feedback submitted online. The results and the evidence of the demonstration provided by the State was a response to the mail sent, a screenshot of the mail sent and feedback received has been obtained.</p> <p>f) The State's feedback mechanism is functional.</p> <p>g) The weblink is: katsinastate.gov.ng/about-katsina/2021-budget-documents/</p>	Satisfactory	
DLI 3: Improved Cash Management and reduced Revenue				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
Leakages through Implementation of State TSA				
DLR 3.0	Improved cash management and reduced revenue leakages through the implementation of State TSA		Achieved	
1	Has the State established a functional State-level TSA?	<p>Katsina State has established a functional state-level TSA.</p> <p>The State operates multiple accounts. The accounts include:</p> <ul style="list-style-type: none"> • IGR Main Account: First Bank, Katsina State Board of Internal Revenue Main Account, 2014138384 • FAAC Account: United Bank for Africa, Katsina State Government Account (TSA), 1019265062 • VAT Account: Katsina State Government Account, 0597415815 <p>The TSA provider is: United Bank for Africa, Katsina State Government Account, 1019265062</p>	Satisfactory	
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and</p>	<p>Katsina State has a Cash Management Strategy:</p> <p>a) The cash management strategy is titled, “Katsina State Government Cash Management Strategy”.</p> <p>b) The cash management strategy was produced in August 2020. It was co-signed by the Commissioner of Finance, Honourable Kasim Mutallab, and the State Accountant General. The State Governor approved the adoption and</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	requirements and provide reliable information on the availability of funds.	<p>implementation of the cash management strategy on September 9, 2020.</p> <p>c) In Chapters 3 and 4, pages 17-24, the cash management strategy details the processes through which the State Ministry of Finance can forecast cash commitments and requirements and provide reliable information on the availability of funds.</p> <p>d) The cash management strategy states that cash sweeping is done at 2 pm every Friday or at such other earlier time as the State may decide from time to time.</p> <p>e) The cash forecasting plan confirmed that there is evidence of implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds every month.</p>		
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)?	<p>Katsina State has an application where cash balances in its bank account can be viewed centrally.</p> <p>a) The name of the application is NIBSS Pay. It was produced by the Nigeria Inter-Bank Settlement System (NIBSS) Plc.</p> <p>b) The application is in line with the approved cash management strategy.</p> <p>c) The application was deployed on Monday, 21 September, 2020.</p>	Satisfactory	
4	Does the TSA have one consolidated revenue treasury account for State	<p>a) IVA visited the following revenue-generating MDAs: Ministries of Health, Education and Works, Housing and Transport. IVA administered</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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.	<p>questionnaires to DFAs at the respective MDAs. Based on responses received, the MDAs do not have revenue-generating bank accounts and therefore do not collect revenues as all revenues are paid into the IGR account, where they are swept into the TSA.</p> <p>b) The State TSA is: United Bank for Africa, Katsina State Government Account, 1019265062</p> <p>c) All government money goes through TSA.</p> <p>d) Government monies do not sit in the other revenue collecting banks.</p> <p>e) The TSA bank statement was obtained.</p>		
5	Does the TSA cover a minimum of 70% of the State Government's finances?	<p>The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2020.</p> <p>Having observed the reversal entries in the TSA Bank Statements, the IVA recalculated the inflows and outflows using the spotted items total which were subtracted to establish the adjusted figures as stated below:</p> <p>Total Inflow: ₦76,592,985,637.70</p> <p>Total Outflow: ₦75,433,460,721.62</p> <p>Total Reversal Entry: ₦1,733,104,667.42</p> <p>Adjusted Inflow: ₦74,859,880,970.28</p> <p>Adjusted Outflow: ₦73,700,356,054.20</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations
			Total Inflows (₦)	Total Outflows (₦)	
		TSA Bank Statement	74,859,880,970.28	73,700,356,054.20	
		Government Finances*	99,518,734,935.38	100,548,435,250.61	
		Percentage	75%	73%	
		<p>The average is percentage computation is:</p> $\frac{75\% + 73\%}{2} = 74\%$ <p>The TSA covered 74% of the State's finances.</p> <p>* Sources: 2020 Audited Financial Statement (Cash Flow Statement) Pages 10-11 and the TSA Statement from United Bank for Africa, Katsina State Government Account, 1019265062 for January 1- December 31, 2020.</p>			
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection					
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for			Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	state revenue collection and accounting. Code must be approved by the state legislature and published			
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	<p>a) The name of the law is Katsina State Revenue Administration (CODIFICATION AND CONSOLIDATION) Law, 2021. The Law was assented to by the Governor on 8th September 2021.</p> <p>b) The revenue code was approved on 8th September 2021 and the Gazette was approved on 16th September 2021.</p> <p>c) The Revenue Law was published online here: https://www.katsinastate.gov.ng/wp-content/uploads/2021/12/Katsina-State-Revenue-Administration-Law-2021.pdf</p> <p>d) The Revenue code included all State IGR sources and the LGs IGR sources (falling under the State). All collectible taxes, levies, and charges are on in schedules of the 2021 law including provision for presumptive tax, and the 5th Schedule for the local governments. The section identifies schedules 1st, 5th, 6th, and 9th as the collectible revenues and associated rates.</p> <p>e) The consolidated revenue code included the rate chargeable for each IGR source. Section 75 identifies schedules 1st, 5th, 6th, and 9th as the collectible revenues and associated rates.</p>	Satisfactory	
2	Does the consolidated revenue code stipulate that the State Bureau of Internal	The State's amended law stipulates that the Katsina board of Internal Revenue is the sole entity responsible for collecting State Revenue (tax and non-	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?	tax). This was stipulated in Section 4(5), Section 24 (1) (2) & (3) and just below Section 81 there is an S93		
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	<p>a) The collection of revenues was made into accounts nominated by the SBIR as stipulated in Section 17(2) and Section 51. Evidence obtained was a letter sent to the bank requesting for such accounts to be opened.</p> <p>b) The SBIR has full oversight of accounts and is responsible for reporting and accounting for the revenues as stated in Section 10(2 -b & c) and Section 16 (e)</p>	Satisfactory	
4	<p>Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?</p> <p>It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.</p>	<p>a) The revenue code was approved by the State Legislature on 8th September 2021.</p> <p>b) It was assented to by the Governor on 8th September 2021.</p> <p>However, it is concluded that this is the 2021 APA result assessed early, having all requirements achieved, though the approval was not done during the year 2020.</p>	Satisfactory	
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	<p>a) We were able to download and keep in a file a copy of Katsina State Revenue Administration (CODIFICATION AND CONSOLIDATION) Law, 2021.</p> <p>b) The document was assessed and downloaded on the 22nd of February 2022</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																																
		c) The web link of the publication is https://www.katsinastate.gov.ng/wp-content/uploads/2021/12/Katsina-State-Revenue-Administration-Law-2021.pdf																																		
DLR 4.2	2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection		Achieved <i>(Stretch target met)</i>																																	
1	Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: N/A Stretch Target: equal to or higher than the 2019 nominal IGR collection	<p>a. The State adopted the accrual basis of accounting used for revenue reporting in 2019 and 2020 from the Audited Financial Statements.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below:</p> <table border="1"> <thead> <tr> <th>REPORTING TEMPLATE: OPTION B</th> <th>₦</th> <th>₦</th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2019</th> <th>2020</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Reported IGR in AFS (Before Adjustments)</td> <td>10,869,505,373</td> <td>15,846,848,946.48</td> <td>46%</td> </tr> <tr> <td>2. INVALID items to be deducted IF reported as part of IGR</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Investment Income (e.g. dividends)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Interest Earned</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Miscellaneous</td> <td></td> <td></td> <td></td> </tr> <tr> <td>3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION B	₦	₦	% GROWTH	Item	2019	2020		1. Reported IGR in AFS (Before Adjustments)	10,869,505,373	15,846,848,946.48	46%	2. INVALID items to be deducted IF reported as part of IGR	-	-		Investment Income (e.g. dividends)				Interest Earned				Miscellaneous				3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)				Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	10,869,505,373	15,846,848,946	46 %		
		$\frac{\text{₦}15,846,848,946 - \text{₦}10,869,505,373}{\text{₦}10,869,505,373} \times 100 = 46\%$ <p>The annual nominal growth is 46%</p> <p>Source: 2020 Audited Financial Statement pages 10-11</p>					
DLI 5: Biometric Registration and Bank Verification Number (BVN)							
Used to reduce Payroll Fraud							
DLR 5.1	Biometric capture of at least [90] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll					Achieved	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of the current civil servants and pensioners on the State payroll?	<ul style="list-style-type: none"> a) The State commenced and finished the linkage of the biometric data of the civil servant and pensioners from October 2017 through to December 2020. b) It was outsourced to AppMart Integrated Limited. c) The total number of civil servants is 20,362 d) The total number of pensioners is 10,092 e) The total number of staff on the State Nominal roll is 30,454 (civil servants were 20,362 while Pensioners was 10,092) 				Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>f) The number of persons captured on the biometrics database is Civil Servant = 19,985, Pensioners = 9,844.</p> <p>g) The documents obtained to form a conclusion are a one-page report on the progress of biometric linkage and a screenshot of the total number of civil servants and pensioners with biometrics.</p> $\frac{29,829}{30,077} \times 100 = 99.17$ <p>=99%</p> <p>The State had captured 99% of the State's civil servants and pensioners on its payroll.</p>		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<p>a) The State commenced and finished the linkage of the biometric data to the payroll from October 2017 through to December 2020.</p> <p>b) The total biometric data linked to payroll were: Civil servant = 19,985, Pensioners = 9,844.</p> <p>c) 728 ghost workers were detected during the biometric validations.</p> <p>d) The total amount of money saved from the ghost workers detected is N103,591,668.89</p> <p>e) There were changes to the civil servant payrolls as captured by the biometric exercise. However, according to the State, no pensioners have been removed from the payroll as of year-end 2020. A total of 10,092 are still on the payroll because of</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>continuous verification and the peculiar nature of the security challenges and the biometric committee's inability to access some of these pensioners.</p> <p>f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and death. The documents IVA obtained to support evidence are Variations for the removal of ghost workers and the KTSG list of ghost workers as at December 2020.</p> <p>g) There were changes to the civil servant payrolls during the fiscal year (as a result of deaths and ghost workers removed from the payroll). However, according to the State, no pensioners have been removed from the payroll as of year-end 2020. A total of 10092 are still on the payroll because of continuous verification and the peculiar nature of the security challenges and the biometric committee's inability to access some of these pensioners.</p> <p>h) The changes were captured by the biometric exercise.</p> <p>i) The payroll department upon the receipt of variations order from the MDAs updates its record accordingly. For ghost workers, as soon as the payroll department received the list of ghost workers as at February 2020 from the Office of the Auditor-General for the State, the affected staff were promptly removed from the payroll. This process is a continuous process as long as variation order is obtained from the MDA.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<p>a) 728 ghost workers were detected during the biometric linkage to the payroll.</p> <p>b) The records kept for identified ghost workers were:</p> <ol style="list-style-type: none"> I. One-page report on the progress of Biometric Exercise II. Letter from the Auditor General on removal of Ghost workers III. Consultant Report on Biometric registration Exercise. <p>c) The identified ghost workers were removed from the payroll on 28th February 2020.</p> <p>d) The payroll figure before their removal from payroll is 30,454</p> <p>e) The payroll figure after they have been removed is 30,077</p> <p>f) The source of information is a one-page report on the progress of biometric linkage</p> <p>The difference here is less than the 728 ghost workers identified. IVA enquired further explanation and the State responded thus: The State had 20,362 staff as of March 2020. This number represents total number of staff preceding biometric/BVN linkage with payroll. When biometric/BVN records were linked to the payroll, 728 staff did not show up after repeated call circulars. These staff (728) were therefore categorized as 'ghost/illegal' staff and accordingly removed from March 2020 payroll.</p> <p>At the commencement of April 2020, a total of 19,634 (20,362 less 728) remained active in the State civil</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		service. However, between April and December 2020, a total of 377 staff were recruited and enrolled into the state civil service, while 19 and 7 staff were withdrawn from service and died respectively in Service. This brings a total number of active staff as of December 31, 2020, to 19,985 (19,634+377-19-7). Though, the specific number of recruitments, retirement and death was not provided in the one-page report during the visit in February 2022, the reasons for the increased in active number of staff (from 19,634 to 19,985) were provided in the report.		
5.2	Link BVN data to at least [90] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		Achieved	
1	Has the State linked the Bank Verification Number data to 90% of its current Civil Servants and pensioners on the State payroll?	<p>a) The State commenced and finished the linkage of the BVN data to the civil servant and pensioners from October 2017 through to December 2020.</p> <p>b) It was outsourced to AppMart Integrated Limited.</p> <p>c) The total number of civil servants is 20,362</p> <p>d) The total no of pensioners is 10,092</p> <p>e) The total no of staff on the State Nominal roll is 20,362</p> <p>f) BVN data linked to payroll is: civil servant = 19,985, pensioners = 9,844</p> <p>g) The document IVA obtained to form the conclusion is a Screenshot of the state payroll database, a one-page report on the progress on BVN linkage to payroll.</p> <p style="text-align: center;"><u>29829</u> X 100 = 99.17</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>30077</p> <p>= 99%</p> <p>The State has linked 99% of the State’s civil servants and pensioners’ BVN data to the payroll.</p>		
2	Has the State taken steps to identify payroll fraud?	<p>a) Staff with BVN data is 19,985 and staff without BVN data is 728.</p> <p>b) The record kept for the identified payroll fraud is a list of ghost workers removed from payroll as a result of BVN linkage.</p> <p>c) These payroll frauds were identified on 27thFebruary 2020.</p> <p>d) The payroll figure before the fraud identification is 30,454</p> <p>e) The payroll figure after the fraud has been dealt with and removed from further payments is 30,077</p> <p>f) The source of information obtained is a screenshot of the physical observation conducted and page 2 of the one-page report on the progress on BVN linkage to payroll.</p> <p>The difference here is less than the 728 ghost workers identified. IVA enquired further explanation and the State responded thus: The State had 20,362 staff as of March 2020. This number represents total number of staff preceding biometric/BVN linkage with payroll. When biometric/BVN records were linked to the payroll, 728 staff did not show up after repeated call circulars. These staff (728) were therefore categorized as 'ghost/illegal' staff and accordingly removed from March 2020 payroll.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		At the commencement of April 2020, a total of 19,634 (20,362 less 728) remained active in the State civil service. However, between April and December 2020, a total of 377 staff were recruited and enrolled into the state civil service, while 19 and 7 staff were withdrawn from service and died respectively in Service. This brings a total number of active staff as of December 31, 2020, to 19,985 (19,634+377-19-7). Though, the specific number of recruitments, retirement and death was not provided in the one-page report during the visit in February 2022, the reasons for the increased in active number of staff (from 19,634 to 19,985) were provided in the report.		
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		Previously Achieved In 2019 APA	
1	Does the State have a public procurement legal	Previously Achieved In 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	framework that must be approved by the State legislature to have a legal basis, either as a law or a resolution?			
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency, and 3) cover all MDAs receiving funds from the State budget.	Previously Achieved In 2019 APA		
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency, or any other type of entity set up for the statutory purpose?	Previously Achieved In 2019 APA		
DLR 6.2	Basic Target: Framework contract for e-Procurement signed by 31 December 2020 AND Publish contract		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>award information above a threshold set out in the State’s procurement law/regulation every month in OCDS format on the state website or online portal if available.</p> <p>Stretch Target: Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs</p> <p>AND</p> <p>For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State’s procurement law/regulation every month in OCDS format on the state website or online portal if available.</p>			
<p>1</p> <p>Has the State achieved open contracting component of the DLI by publishing online, contract award information for all</p>	<p>a) The IVA obtained a schedule of all contracts awarded during the year under assessment above the threshold (as defined in the state procurement law)</p>	<p>Unsatisfactory</p>	<p>The State should publish online, contract award information for all contracts awarded.</p>

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>contracts awarded during the fiscal year (2020) that are above the threshold (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?</p> <p>b) The data published was not completely in line with the Open Contracting Data Standards (OCDS)</p> <p>c) Date of publication: 30th December 2020</p> <p>d) The publication was sourced from the State’s website</p> <p>We consulted with the State’s public procurement bureau, had an interview with the DG and operational staff, obtained a schedule of all contracts awarded, and viewed all published information.</p> <p>e) The contract award information that was published is as follows:</p> <ul style="list-style-type: none"> i. Project name, ii. awarding institution (for some contracts), iii. name of contractor, and iv. Contract amount was published. <p>However, out of a list of 64 contracts, the awarding institutions were included for the first 27 contracts, while the remaining did not include awarding institutions and award dates.</p> <p>The awarding institutions and award dates should be included in all published information</p> <p>Furthermore, the IVA noted that the portal shows a total of 64 contracts with a total value of approx. N16bn. This is at variance with a Capex outturn of</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>N29.2bn for 2020, and indicates the online publication is incomplete. Note the DLR requires the publication of all contracts above the set threshold. Hence, the State is required to provide a copy of the contract register which includes all capital expenditure for the year 2020 while giving response to this report. Otherwise, this DLR is not achieved.</p> <p>The State responded that “we do not know the source of N29.2b referred to, because none of the published contracts information contained such an amount. However, the total capital expenditure from the 2020 audited financial statements stood at N21.982b (see statement no.1- statement of financial performance; statement no. 3 – statement of cash flow; statement no. 5 – comparison between budgeted and actual on cash basis as well as Note 26 to the audited financial statements). We attach the 2020 audited financial statements for your kind guidance.</p> <p>Please, note that this amount represents actual disbursements in 2020 for capital spending. This figure includes even payments for contracts awarded in prior years, while the sum of N16b for 64 contract awards represents only contracts awarded in 2020. In fact, some of these contracts may have not been paid in 2020, and therefore not part of N21.982b. further, the sum of N16b also include not only contracts on capital infrastructure but recurrent. Therefore, the figure of actual payments for capital expenditure</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>in 2020 and contracts awarded in 2020 will not necessarily be the same.</p> <p>The composition of N21.982b is as follows:</p> <ul style="list-style-type: none"> • Land and building – N4.889b; • Infrastructure – 12.753b; • Transportation and equipment – 0.928b; • Office equipment – 0.461b; • Furniture and fittings – 0.269b • Plant and machinery – N2.437b; and • Investment property – 0.244b. <p>We hereby attach contract register for capital expenditure (by asset type and by month) of N21.982b as reported in the 2020 audited financial statements”.</p> <p>IVA reviewed the State’s response and the Capex outturn is 21.9billion and not 29.2 billion as earlier stated. Therefore, considered the response satisfactory. The Capex Outturn Report 1 2020 and Capex Outturn Report 2 2020 submitted by the State is in the assessment file.</p> <p>f. Weblink for the publication: https://www.katsinastate.gov.ng/?smd_process_download=1&download_id=2642</p> <p>The contract award information published on the State’s website did not fully comply with the standards.</p>		
2	Had the State signed up to the SaaS e-Procurement	a) The State did not sign the SaaS e-Procurement Framework Contract in the year under assessment.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
New	Framework Contract as at 31 Dec 2020?	<p>However, they signed an EPS agreement with a consultant to set up their e-procurement platform.</p> <p>b) A copy of the State's EPS agreement was obtained.</p> <p>c) The State signed an agreement with Revolve Technologies Ltd Limited to set up their e-procurement platform.</p>		
3 New	Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the 2020 results DLI is the implementation of e-Publishing/Notification module for contract notice and contract award?	<p>a) The State did not implement e-procurement in at least 3 MDAs (Education, Health, and Public Works).</p> <p>b) There were no transactions handled by the MDAs as e-procurement was not operational in 2020.</p> <p>c) No samples could be selected as e-procurement was not operational in 2020.</p> <p>d) The E-Publishing/Notification module for contract notice and contract award was not effective during the year 2020.</p>	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs and at least 3 MDAs in the first instance (including Education, Health, and Public Works).
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 Public Financial Management Law?	<ul style="list-style-type: none"> . The State has provided copies of their approved state-level public debt legislation. a. The Dates of approval and assent are 9th June 2017 and (amended) 8th September 2021 respectively. 	Satisfactory	
2	<p>Does the legislation include provisions that establish the following?</p> <p>1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and</p> <p>3) Fiscal and debt rules/limits for the state.</p>	<p>The legislation includes all of the required provisions except that Criterium 2 was partially satisfied.</p> <ul style="list-style-type: none"> a. <ul style="list-style-type: none"> i. responsibility for contracting state debt is satisfied by section 3 of the FRAL, which introduces a new section 43(3)(I) to the FRL ii. The responsibility for recording state debt is partially satisfied by section 3 of the FRAL, which introduces a new section 43(1)(c)(iv) iii. Debt Limits/Fiscal rules are provided in section 44 (1) of the FRL <p>The following are included: Criteria 1:</p>	Unsatisfactory	<p>The state should amend the FRL to include clear provisions for the responsibility for reporting state debt. The state may also amend the FRAL to include provisions allowing the state Governor to delegate his function of executing debt instruments on behalf of the state.</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>The responsibility for contracting state debt is satisfied by section 3 of the FRAL, which introduces a new section 43(3)(c)(l) to the FRL. The new insertion provides that “the State Governor shall be responsible for contracting debt on behalf of the State “through the Debt Management Department of the State Ministry of Finance”</p> <p>Criteria 2:</p> <p>The responsibility for recording state debt is partially satisfied by section 3 of the FRAL, which introduces a new section 43(1)(c)(iv), which states that the State Governor shall, through the Debt Management Department of the State Ministry of Finance be responsible for maintaining a reliable database of all loans taken or guaranteed by it, its application, contractual and supplier debts obligations, pension liabilities and other contingent liabilities.” The responsibility for reporting state debt is, however, not satisfied, notwithstanding section 43(1)(c)(iv), which provides that the Debt Management Department shall also publish the state’s budgetary provisions for each fiscal year as it affects its consideration for settling its indebtedness.”</p> <p>Criteria 3:</p> <p>Debt Limits/Fiscal rules are provided in section 44 (1) of the FRL, which states that “the Governor shall within 90 days from the commencement of the law, and with advice from the Commissioner of Finance subject to the approval of the House, set overall limits for the amount of consolidated debt of the State Government subject to the limits and conditions approved by the House, which</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		shall be consistent limits and conditions approved by the House, which shall be consistent with the rules set out in this Law and with the fiscal objectives in the Medium Term Fiscal Framework.”		
4	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the core function of recording and reporting state debt?	<p>The State Debt Management Department has been operational during the APA year and performing the core function of recording and reporting state debt.</p> <p>The work done in line with the Test Programme was to visit the Debt Management Office and interview the Head as well as a staff of the office and review documents, and the evidence(s) obtained are pictures of the office and the interview forms filled by the Head and staff interviewed.</p>	Satisfactory	
DLR 7.2	<p>Quarterly state debt reports for Q2, Q3, and Q4 2020 accepted by the DMO on average two months or less after the end of the quarter in 2020</p> <p>AND</p> <p>Annual state debt sustainability analysis published by end of December 2020</p>		Not Achieved	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR),	a. The State submitted quarterly State Domestic Debt Reports (SDDR) (final versions) to the DMO on an average of 2 months after the end of each quarter.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>which are approved by the DMO on average of two months after the end of the quarter in 2020?</p>	<p>We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> • Q2 submitted on (14/08/2020) 44 days, • Q3 submitted on (20/11/2020) 50 days and • Q4 submitted on (26/02/2021) 56 days. $\frac{44+50+56}{3}$ <p>Average = 50 days (7.14 weeks)</p> <p>The SDDRs were submitted within an average of 2 months (Average number of 50days).</p>		
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</p>	<p>a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained.</p> <p>We reviewed the DMO’s Report on State Domestic and External Debt Report (SDEDR) with the Katsina State Debt Domestic Report along with all underlying data and both showed the different amounts of ₦54,237,768,132.4 for the SDDR and ₦60,016,790,690 for the SDEDR. The report was supported with the DMO’s templates and guidelines.</p> <p>b) There were differences noted during the above review.</p>	N/A	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>Home Finance used by the DMO to cross-check the state's domestic debt figures.</p>	<p>We reviewed the DMO report and the DMO report confirmed the accuracy and completeness of the State Domestic Debt Report 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> <p>b) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State have been compared with the State Audited Financial Statement. The debt stock figures reported in the SDDR have been compared with that of the State's Audited Financial Statement.</p> <p>c) There were no discrepancies noted during the comparison.</p> <ol style="list-style-type: none"> 1. SDDR Figure: ₦54,237,768,132.4 2. AFS Figure: ₦54,237,768,132.4 <p>d) There were no identified discrepancies</p> <p>e) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.</p> <p>f) The debt stock figures reported in the SDEDR, has been compared with those of the SDDR submissions by each state.</p> <p>g) There are inconsistencies.</p> <ol style="list-style-type: none"> i. SDEDR (DMO) Figure: ₦60,016,790,690 ii. SDDR (State) Figure: ₦54,237,768,132.4 iii. Difference: ₦5,779,022,557.6 <p>h) IVA requested the State to provide clarification as regards the identified discrepancies and the State Responded thus: The difference between the State debt</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		stock as reported in the State Domestic Debt Reports (SDDR) and the State Domestic and External Debt Report (SDEDR) arises usually because of outstanding contractors' indebtedness. The total debt stock reported in SDDR represents the verified debt figure. The difference of N5,779,022,557.60 between the two reports is being reconciled.		
3 New	Has the State published the State Debt Sustainability Analysis Reports (SDSAR) online by 31 December 2020?	<p>a) The State Debt Sustainability Analysis Report (SDSAR) was published on the State's official website.</p> <p>b) The date of publication is 28th December 2021.</p> <p>c) The SDSAR was published after the deadline for publication which is by 31 December 2020. The evidence obtained to confirm the date of online publication is a screenshot of the back end. The web link is https://www.katsinastate.gov.ng/wp-content/uploads/2020/12/Katsina-State-2020-DSA-DMS-Report.pdf</p>	Unsatisfactory	The State should ensure they publish online, on the State website the SDSAR by no later than 31 December.
4 New	Does the SDSAR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options, and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	<p>Upon review of the State Debt Sustainability Analysis Report (SDSAR), it included the following:</p> <p>(1) Adequate presentation of medium-term budget forecasts, including:</p> <p style="margin-left: 20px;">(a) Presentation of MTB forecasts</p> <p style="margin-left: 20px;">(b) Description of assumptions</p> <p style="margin-left: 40px;">Underpinning the MTB forecasts.</p> <p>(2) A detailed and adequate description of the debt portfolio and borrowing options, including:</p> <p style="margin-left: 20px;">a. Presentation of debt and borrowing projections in the baseline scenario.</p>	Unsatisfactory	The State should ensure that the SDSAR includes the following: 1) medium-term budget forecasts; 2) a detailed description of the debt portfolio and borrowing options, and 3) an adequate analysis of the debt and fiscal figures in the preceding calendar year.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>b. Description of assumptions underpinning the borrowing options</p> <p>(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year. A review and comparison between the information (figures) contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State Website was done. There were no differences.</p> <p>However, DMO was unable to assess the Katsina SDSAR because it was not published online at the time of assessment which was 31/12/2020.</p>		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	<p>Basic Target: Domestic arrears as of end 2019 and end 2020 are reported in an online publicly-accessible database, with a verification process in place.</p> <p>Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with a verification process in place</p>		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>AND</p> <p>at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock below 5 billion.</p>			
1	<p>Has the State established an Arrears Clearance Framework (ACF)?</p>	<p>a) The State has established an Arrears Clearance Framework (ACF)</p> <p>b) We obtained a copy of the ACF from the State</p> <p>c) The establishment of the ACF occurred by 15th September, 2020.</p> <p>d) The duration of time between the establishment of the ACF and the 31st December 2020 year-end, is about four months that is 15th September, 2020 which is adequate to allow time for the implementation of the ACF</p>	Satisfactory	
2	<p>Does the ACF contain:</p> <p>1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.</p>	<p>The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</p> <p>The evidence to show that ACF contains the two stated requirements are on page 8 of the ACF for the Planned actions to settle the arrears and pages 21-22 for the explicit prioritization of the expenditure arrears to be settled.</p> <p>The documents submitted by the state to confirm the ACF exists are the hard copy of the ACF and a</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		screenshot of the backend where it was published. A copy of the ACF was also downloaded.		
3	Has the ACF been published on a State official website?	<p>a) We confirmed that the ACF has been published on a State official website</p> <p>b) We have downloaded a copy for validation</p> <p>c) The weblink - https://www.katsinastate.gov.ng/wp-content/uploads/2020/12/KATSINA-STATE-ACF.docx Evidence obtained to confirm the date of publication is the Screenshot of the backend.</p>	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	<p>The clearance of domestic expenditure arrears is consistent with the ACF.</p> <p>A walkthrough test on the internal domestic arrears database showed that the contractors and pension and gratuity arrears are being paid based on the ACF i.e from the oldest to the newest arrears on pension and gratuity. While on the contractors' arrears, it is the ongoing completed works (construction), largest value (outstanding arrears) and smallest value (outstanding arrears), oldest (date missed payment was due) respectively.</p>	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State has established an Internal Domestic Arrears Database.</p> <p>b) The Internal Domestic Arrears Database includes the following:</p> <p>a. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, at a</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>minimum, the internal domestic arrears database must also include the name of the contractor, the amount due at the end-of-year, the nature of the goods and services procured that generated the claim, and billing data (as applicable). The database showed the total domestic arrears stock at the end of each year.</p> <p>b. The aggregate amount of pension and gratuity arrears.</p> <p>c. The aggregate amount of salary arrears and other staff claims.</p> <p>d. The aggregate amount of other types of domestic arrears</p> <p>c) A verification process is in place for the arrears in the database.</p> <p>d) We confirmed through the evidence provided by the State that the State has conducted verification of arrears balances.</p> <p>e) We conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, payroll records, underlying contract data, etc.</p> <p>f) The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
6	Has the State published online elements of the internal domestic arrears database for the FY 2019 and FY 2020 reported on a State official website, which constitutes the online publicly accessible arrears database?	<p>a) The State has not all published online the required elements of the Internal Domestic Arrears Database as at end of 2019 and 2020.</p> <p>b) The State does not have an online publicly-accessible arrears database.</p> <p>c) The State does not have an online publicly accessible arrears database.</p>	Unsatisfactory	The State should ensure they publish online elements of the Internal domestic arrears database.
7.	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for</p>	<p>There is no online publication.</p> <p>There is no online publication containing the names of contractors owed ₦20m in arrears and above.</p>	Unsatisfactory	<p>a) The State should ensure they publish online lists of contractors with recognized arrears exceeding ₦20 million.</p> <p>b) The state should ensure contractors can verify that their claims are accurately reported</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																									
	contractors to be able to verify that their claims are being accurately reported in the database.																															
8.	<p>Has the State met the following:</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2020 compared to end 2019 meets target and is consistent with the state's arrears clearance framework.</p> <p>-Stretch target: At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion.</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the</i></p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2020</th> <th>2019</th> <th>% diff.</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>16,568,569,225.84</td> <td>10,347,375,328</td> <td>60</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>2,482,811,826.56</td> <td>814,787,880.70</td> <td>204.72</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Judgment Debt</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Domestic Arrears</td> <td>19,051,381,052.40</td> <td>11,162,163,208.7</td> <td>70.68</td> </tr> </tbody> </table> <p>a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and confirmed it was the same as the balances stated within the SDDR and the AFS for 2020.</p> $\frac{\text{₦19,051,381,052.40} - \text{₦11,162,163,208.7}}{\text{₦11,162,163,208.7}} \times 100 = 70.68$	Aggregate Amount of:	2020	2019	% diff.	Contractors Arrears	16,568,569,225.84	10,347,375,328	60	Pension and Gratuity arrears	2,482,811,826.56	814,787,880.70	204.72	Salary arrears and Staff claims				Judgment Debt				Other types of domestic expenditure arrears				Total Domestic Arrears	19,051,381,052.40	11,162,163,208.7	70.68	Unsatisfactory	The State should ensure a reduction of domestic arrears debt stock to below ₦5 billion
Aggregate Amount of:	2020	2019	% diff.																													
Contractors Arrears	16,568,569,225.84	10,347,375,328	60																													
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<i>year, compared to the previous year, expressed in percentage terms.</i>	The percentage Increase 70.68% Source: State internal domestic expenditure arrears database		
DLI 9: Improved Debt Sustainability				
DLR 9.0	Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target: -Basic target: < [150%] -Stretch target: < [125%]		Achieved <i>(Stretch target met)</i>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																						
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31st December 2020) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2020)?</p> <p>-Basic target: < [150%] -Stretch target: < [125%]</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p><u>Total Public Debt</u></p> <table border="1" data-bbox="646 451 1264 808"> <thead> <tr> <th></th> <th>Financial Statements (₦)</th> <th>DMO/SDEDR Figures (₦)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>54,237,768,132.4</td> <td>60,016,790,689.76</td> </tr> <tr> <td>Total External Debts</td> <td>21,346,885,453</td> <td>21,403,061,459</td> </tr> <tr> <td>Total Public Debts</td> <td>75,584,653,585.4</td> <td>81,419,852,148.49</td> </tr> </tbody> </table> <p><u>Total annual revenue</u></p> <table border="1" data-bbox="663 963 1232 1224"> <tbody> <tr> <td>2020 Adjusted IGR (see DLI 4.2)</td> <td>15,846,848,946</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>64,653,971,632</td> </tr> <tr> <td>Grants</td> <td>10,207,697,368</td> </tr> <tr> <td>Other Revenues</td> <td>7,263,743,886</td> </tr> <tr> <td>Total Revenue</td> <td>97,972,261,832</td> </tr> </tbody> </table> <p>a. The State’s domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2020 is as at the end of Q4 2020.</p>		Financial Statements (₦)	DMO/SDEDR Figures (₦)	Total Domestic Debts	54,237,768,132.4	60,016,790,689.76	Total External Debts	21,346,885,453	21,403,061,459	Total Public Debts	75,584,653,585.4	81,419,852,148.49	2020 Adjusted IGR (see DLI 4.2)	15,846,848,946	Gross FAAC Allocation	64,653,971,632	Grants	10,207,697,368	Other Revenues	7,263,743,886	Total Revenue	97,972,261,832	Satisfactory	
	Financial Statements (₦)	DMO/SDEDR Figures (₦)																								
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>We have computed the total debts stock / Revenue percentage for the 2020 year, as follows:</p> $\frac{81,419,852,148.49}{97,972,261,832} \times 100$ $=83\%$ <p>Sources:</p> <ul style="list-style-type: none"> i. For Total Revenue 2020 Audited Financial Statement, Page 10-11 ii. For Total Public Debt from DMO* as at December 31, 2020 iii. NBS/OAGF (FAAC) <p>*Table 3(i) below holds a breakdown of the Total Debt.</p> <ul style="list-style-type: none"> b. The debt stock stated in the Federal DMO State Domestic, and External Debt Report is not the same as the debt stock stated in the audited financial statement. c. There is a difference of ₦5,835,198,563.09 between the Debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) and the debt stock stated in the audited financial statement. The SDEDR is ₦81,419,852,148.49 while the debt stock stated in the Audited Financial Statement is ₦75,584,653,585.4. d. The difference has been communicated to the State for an explanation. 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>e. The difference has been calculated in value ₦5,835,198,563.09 (₦81,419,852,148.49 - ₦75,584,653,585.4) and in percentage terms as 7.7%.</p> <p>f. The SDEDR was not amended and resubmitted to the IVA along with explanations due to the State awaiting a response from the FDMO to reconcile the SDEDR.</p>		

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

KATSINA STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,407,336,301
BAIL OUT (SALARIES) (SOURCE CBN)	9,972,590,119
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	0
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	8,062,532,559
STATE BONDS	0
COMMERCIAL BANK LOANS	0
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	0
INFRASTRUCTURE LOANS (CBN FACILITIES)	0
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	1,522,950,659
JUDGEMENT DEBTS	0
GOVT - GOVT DEBTS	0
CONTRACTORS' ARREARS	16,568,569,226
PENSION AND GRATUITY ARREARS	2,482,811,827
SALARY ARREARS AND OTHER CLAIMS	0
OTHER DEBTS	0
TOTAL DOMESTIC DEBT (TDD)	60,016,790,689.76
TOTAL EXTERNAL DEBT (TED)	21,403,061,459
TOTAL PUBLIC DEBT (TED+TDD)	81,419,852,148.49

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

TEMPLATE: OPTION A	NGN
Item	2020
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	64,653,971,632
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	45,423,395,139
1.1.1 Gross statutory allocation	40,319,452,544
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	5,103,942,595
1.2 VAT	19,230,576,493
2. Internally Generated Revenues (IGR) – Adjusted	15,846,848,946
3. Grants (internal and external)	10,207,697,368
4A. Other revenues (4.1 + 4.2 + 4.3)	7,263,743,886
4.1 Investment Income (e.g. dividends)	45,132,037
4.2 Interest Earned	8,989
4.3 Transfer from LGAs	2,266,078,294
4.4 Gain on disposal of Assets	160,543,879
4.5 SFTAS	4,720,000,000
4.6 Proceed from Sale of Housing	71,980,687
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	97,972,261,832

4. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p><u>Response to DLI 2.2</u></p> <p>The following is the explanation of the items under reference.</p> <p>i. Total Capital Development Fund of N109,673,058,970</p> <p>The Sources of the Sub-Components of the Total Receipts of the year consist of:</p> <ul style="list-style-type: none"> a) Surplus Revenue Over Recurrent Expenditure b) Estimated capital receipt c) IDB loan d) IFAD loan e) NEWMAP loan f) RAMP loan g) CBN health care intervention loan h) Opening balance i) SFTAS grant j) CARES grant (\$10m) <p>ii. The Total Receipt for the year of N178,077,831,927.00 comprises of Total Recurrent Expenditure Allocation of N68,404,772,957 and all components lists in (i) above being funds available to be allocated as CAPITAL EXPENDITURE. However, at cell 36E shows the actual commitment for the Capital Expenditure which is higher than the available funds and Cell 39E shows the deficit budget of N3,551,911,249.00.</p> <p>More so, cell 41E indicates the source of funding the new deficit for the revised 2020 budget through Bond and at cell 42E is the final indicator of whether there is surplus/deficit budget.</p> <p>NOTE: This sheet (Cell 15 – Cell 42) does not formerly form part of the citizen budget template; however, it was made as a traditional budget system of the State over the past years, please.</p>	<p>The State's submission is noted and cleared of its outstanding.</p>

2	<p><u>Response to DLI 6.2</u></p> <p>We do not know the source of N29.2b referred to, because none of the published contracts information contained such an amount. However, the total capital expenditure from the 2020 audited financial statements stood at N21.982b (see statement no.1- statement of financial performance; statement no. 3 – statement of cash flow; statement no. 5 – comparison between budgeted and actual on cash basis as well as Note 26 to the audited financial statements). We attach the 2020 audited financial statements for your kind guidance.</p> <p>Please, note that this amount represents actual disbursements in 2020 for capital spending. This figure includes even payments for contracts awarded in prior years, while the sum of N16b for 64 contract awards represents only contracts awarded in 2020. In fact, some of these contracts may have not been paid in 2020, and therefore not part of N21.982b. further, the sum of N16b also include not only contracts on capital infrastructure but recurrent. Therefore, the figure of actual payments for capital expenditure in 2020 and contracts awarded in 2020 will not necessarily be the same.</p> <p>The composition of N21.982b is as follows:</p> <ul style="list-style-type: none"> • Land and building – N4.889b; • Infrastructure – 12.753b; • Transportation and equipment – 0.928b; • Office equipment – 0.461b; • Furniture and fittings – 0.269b • Plant and machinery – N2.437b; and • Investment property – 0.244b. <p>We hereby attach contract register for capital expenditure (by asset type and by month) of N21.982b as reported in the 2020 audited financial statements.</p>	This has been noted by the IVA
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