



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

**2018 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 JK Consulting Co. Ltd



March 2020

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# 1. Executive Summary

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

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

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

1. DLR 1.1: Quarterly Budget implementation reports should include revenue and expenditure appropriations and with the balances provided on a consolidated basis across the four (4) expenditure classifications. They should also be published online within 4 weeks of each quarter end.
2. DLR 1.2: The expenditure outturn deviation is reduced to a level within the annual requirements for this result.
3. DLR 2.1: Public consultation is done before the proposed annual budget is drafted, and with the participation of local government authorities and CSOs. Minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) should be published online before or at the point of publishing the approved budget.
4. DLR 3: Establishment of a functional State level Treasury Single Account (TSA) based on an approved cash management strategy, and in line with the requirements for this result.
5. DLR 4.1: Review of the revenue law along with the revenue code, especially to include all LGA revenue sources and rates. The law should stipulate that the BIR is the sole collector of all State revenues, and the amended revenue law, code and rate should be published online.
6. DLR 4.2: Increase in IGR by at least a minimum of 20% annually to meet the minimum target for this result.
7. DLR 5.1: Comprehensive conclusion of the biometrics data capturing of civil servants and pensioners and linkage to the payroll.
8. DLR 5.2: Linkage of the BVNs of civil servants and pensioners to payroll and removal any ghost workers that may be discovered in the process.
9. DLR 6.1: The establishment of a Procurement Agency.
10. DLR 6.2: Publication of contract award information above the set threshold on a monthly basis in the OCDS format on the state website.
11. DLR 7.1: Enactment of Debt Management legislation which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.
12. DLR 7.2: Submission of its SDDRs to the Federal DMO, ensuring the reports are approved on average two months or less after the end of the quarter in 2020 and beyond.
13. DLR 8: Establishment of a Domestic Arrears Clearance Framework (ACF) as well as an internal domestic arrears database with the relevant balances published online.

Finally, we noted significant issues affecting the credibility of the biometric database presented for verification. Primarily, there are inconsistencies such as the duplication of names in the database thus making it difficult to ascertain the population of the workforce and the completeness of the biometric exercise. This issue is included in the Findings section (see DLR 5.1) and as **Appendix A**.

We also noted a difference of **N46,833,153,639.60** between the Debt figure stated in the 2018 Audited Financial Statements of the State (N41,263,202,066.40) and the updated Debt figure provided by the DMO (N88,096,355,706) See DLR 9 in the Findings section. The reason for this difference was not made available to the IVA before the completion of this report.

**Table 1: Assessment Results**

<b>Key:</b>	Achieved		Not Achieved	
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Disbursement Linked Indicators	Disbursement Linked Results (2018)	Results	Remarks
<b>DLI 1:</b> Improved financial reporting and budget reliability	DLR 1.1: FY18 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		State did not publish the budget implementation report online
	DLR 1.2: FY18 deviation for total budget expenditure is < 30%		Budget deviation was 51.3%
<b>DLI 2:</b> Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY19 budget		The minutes of Town-hall meeting were not seen.
<b>DLI 3:</b> Improved cash management and reduced revenue leakages through implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 50 percent of state government finances		The State does not have a functional TSA
<b>DLI 4:</b> Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: Consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting approved by the state legislature and published		Revenue code does not include all sources of revenue for Local Governments
	DLR 4.2: 2018-2017 annual nominal IGR growth rate meets target: - Basic target: 20%-39%, Stretch target: 40% or more		IGR nominal Growth Rate was 8.20%.
<b>DLI 5:</b> Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 60 percent of current civil servants completed and linked to payroll, and identified ghost workers taken off the payroll		Biometric exercise was done in 2018 but was not linked to payroll
	DLR 5.2: Link BVN data to at least 60 percent of current civil servants on the payroll and payroll fraud addressed		The State has not linked BVN details of civil servants to its payroll system
<b>DLI 6:</b> Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. State legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement board; and 3) Cover all MDAs receiving funds from the state budget.		A procurement agency was not yet set up in 2018
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2018 on a monthly basis in OCDS format on the state website		Contract award information was not published online.
<b>DLI 7:</b> Strengthened public debt management and fiscal responsibility framework	DLR 7.1: Approval of state-level legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		No provisions were seen covering the responsibility for contracting state debt.
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018		The quarterly SDDR were not submitted within the required timelines.
<b>DLI 8:</b> Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.		State has no Arrears Clearance Framework
<b>DLI 9:</b> Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2018, and Total debt stock at end of December 2018 as a share of total revenue for FY2018 meets target: Basic target: < 150%, Stretch target: < 125%.	<b>Stretch Target Achieved</b>	Monthly debt service deduction is 9.9% of Gross FAAC. Total Debt Stock to Revenue is 104%

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

## 2. Introduction

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### 2.1 Overview

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

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

### 2.2 Scope

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

The verification protocol was set early in the preparation of 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 from 2018. The assessment results are binary (pass or fail), as that is how the Program for Results component was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit and a template with which to report the results achieved. The assessments were conducted between 2/12/2019 and 6/12/2019 with teams of five persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/additional information.

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

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

### 3. Assessment Results

#### 3.1 Findings

Table 2: Findings

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
	<b>DLI 1: Improved Financial Reporting and Budgeting Reliability</b>			
<b>DLR 1.1</b>	<b>Financial Year [2018] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management</b>		<b>Not Achieved</b>	
1	Has the state published its quarterly budget implementation report to the state official website within six weeks of the end of each quarter?	<p>This DLR was assessed based on last two quarters of 2018 as per the verification protocol.</p> <p>The State did not publish 2018 quarterly budget implementation reports on the official web site.</p> <p>Hard copies of the reports showed that the State produced quarterly reports but could not publish same online.</p>	Unsatisfactory	State should ensure that Budget implementation reports are published quarterly and within the timelines
2	Does the reports include, at a minimum, the approved budget appropriation for the year for each organizational unit (MDAs), and for each of the core economic classifications of expenditure (Personnel, Overheads, Capital, and Other expenditures)?	The budget implementation report provided by the State to the IVA team contained approved budget appropriation for each MDA and for each of the core economic classifications of expenditure.	Satisfactory	
3	Does the report state the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for year to date?	The Budget implementation report contains the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditure for 2018.	Satisfactory	

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
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 Budget Implementation report does not contain balances against each of the revenue but balances of expenditures appropriations with balances provided on a consolidated basis across the four economic classifications and other expenditures.	Unsatisfactory	State should prepare Budget implementation report with revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications
<b>DLR 1.2</b>	<b>FY [2018] deviation from total budget expenditure is less than 30%</b>		<b>Not Achieved</b>	
1	Has the State Computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms?  Is the expenditure outturn deviation computed less than 30%?	The expenditure outturn deviation was contained in page 15 of the 2018 Audited Financial Statements of the State as 51.3% - as shown below:  Total Budgeted Exp.= ₦213,636,773,378.00 Total Actual Exp. = <u>₦104,013,400,127.49</u> Variance = <u>₦109,623,373,250.51</u>  Variance: $\frac{₦109,623,373,250.51}{₦213,636,773,378.00} \times 100$ Original budget ₦ 213,636,773,378.00  The 51.3% budget deviation is higher than the benchmark of 30%.	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	<b>DLI 2: Increase Openness and Citizens' Engagement in the Budget Process</b>			
<b>DLR 2.1.</b>	<b>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2019] budget</b>		<b>Not Achieved</b>	

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
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?	A video containing the proceedings was posted on the state website on 15 <sup>th</sup> April 2019 for the FY2019 budget. The Team watched the video and was convinced that Town-Hall meeting was actually held.  There was however no evidence to show that the town-hall held prior to the drafting of budget.	Unsatisfactory	The State should hold public consultations prior to drafting the proposed annual budget, and retain adequate evidence of timing and of participation by relevant stakeholders
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and signposted on the home page of the website to enable citizens to find the inputs easily?	No minutes of any public consultations was presented for verification.	Unsatisfactory	The minutes of public consultations should be published online and within the set timeframe. Note the minutes should be signed by the CSOs in attendance.
	<b>DLI 3: Improved cash management and reduced revenue leakages through implementation of State TSA</b>			
<b>DLR 3.0</b>	<b>Improved cash management and reduced revenue leakages through implementation of State TSA</b>		<b>Not Achieved</b>	
1	Has the state established a functional state-level TSA?	There was no functional TSA established by the State in 2018	Unsatisfactory	The State should establish a functional TSA
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.	A one-page document was presented as cash management strategy, endorsed by the State Accountant General. This was reviewed and found to be inadequate.	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.
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	This was found to be non-existent	Unsatisfactory	The State should establish a cash management system that allows for a central view of cash



	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
	on the approved cash management strategy)?			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.	See above	Unsatisfactory	The State's TSA should have one consolidated revenue treasury account for state revenues (FAAC and IGR)
5	Does the TSA cover a minimum of 50% of the State Government's finances?	See above	Unsatisfactory	The State's TSA should cover a minimum of 70% of Government Finances in 2020 and 80% per annum thereafter.
	<b>DLI 4: Strengthened Internally Generated Revenue (IGR) Collection</b>			
<b>DLR 4.1</b>	<b>Consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting approved by the state legislature and published</b>		<b>Not Achieved</b>	
1	Does the state have up-to-date consolidated revenue code which includes all the state's IGR sources and all the local governments (falling under that state) IGR sources? IGR sources include presumptive tax, indirect taxes and levies (roads, hotels), fines, fees and charges. Personal income tax, including PAYE, which is collected by the State and covered by the federal tax code.	The state provided the following laws which were reviewed: <ul style="list-style-type: none"> <li>• Revenue Law - Edict 1985</li> <li>• IRS Law 2014 from 1991 KTS Law</li> <li>• 2014 State IRS Supplement</li> <li>• 2019 Local Harmonized Rates and Levies – Supplementary</li> <li>• Harmonised Tax Law 2019</li> </ul> Our review also showed no LGA taxes were included in the laws and they were not published online. We further noted that the harmonised tax law was signed in 2019 which is after the APA year.	Unsatisfactory	The State should amend its current harmonised law to include all sources of revenue for local governments

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) as the sole agency responsible for state revenue (tax and non-tax) collection and accounting in the state?	<p>The State BIR pointed at section 6b and 6c of the 1991 State law which stated as follows:</p> <p>Section 6 (b) which covers making recommendations where appropriate to the Joint Tax Board on Tax Policy, Tax reform, Tax legislations, Tax treaties and exemption as may be required from time to time.</p> <p>6 (c) which cover the IRS generally controlling the management of the Board on matters of policy, subject to the provisions of this law.</p> <p>From our review, the sections referred to do not make the required explicit affirmations on the role of the SBIR. We further found that the SBIR does not exercise the required sole authority in practice.</p> <p>Also, the audited Financial Statements for 2018 separates IGR from the SBIR from IGR from other sources, indicating not all the IGR comes through the SBIR.</p> <p>Lastly, the IGR report submitted to the team by SBIR only reported the Board’s collections which corroborated the presentation seen on the audited Financial Statements.</p> <p>We also considered the latest tax laws of 2019 but did not see any provision giving ‘sole authority’ to the SBIR.</p>	Unsatisfactory	The State should amend its Tax legislation to make it explicit in the law that the SIRS is the sole collector for all State government revenues.
3	Is Collection of revenues made into accounts nominated by the SBIR for the SBIR to be deemed responsible for collection?	The State claimed all revenues collected by various MDAs were redirected through pay direct platform of the KIRS, but the team could not verify this claim as the PayDirect platform for the State could not be accessed upon several attempts	Unsatisfactory	The State should rectify the Pay Direct Platform and ensure adequate verifiable evidence is presented at the next APA.

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>												
4	Is the code approved by the state legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	The 2019 Revenue law which contains the Revenue Code was approved. Evidence of its approval is contained in the assessment file. The requirement was met in 2019 which after the year of assessment and is therefore marked as unsatisfactory for 2018.	Unsatisfactory	The State should ensure that required amendments to the law are 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?	Revenue laws were not published on the State's website	Unsatisfactory	The State should publish the Revenue law, sources and rates online.												
<b>DLR 4.2</b>	<b>Annual nominal IGR growth rate meets target</b>		<b>Not Achieved</b>													
1	<b>Has the 2018-2017 annual nominal IGR growth rate met the basic or stretch targets?</b> Basic Target: 20%-39% Stretch Target: 40% or more Annual nominal growth rate of total state IGR is computed as the difference between the total IGR collected 1st January to 31st December in the year of assessment and the total IGR collected in 1st January to 31st December in the previous year (previous to the year of assessment), divided by the total IGR collected in Jan-Dec in the previous year, and expressed as a percentage, which could be negative (if IGR has declined) or positive (if IGR has increased).	IGR growth was 13.93%, based on the Audited Financial Statements of the State for the two years:  <table style="margin-left: 40px;"> <tr> <td>IGR</td> <td>2018</td> <td>2017</td> </tr> <tr> <td>Tax</td> <td>5,930,760,552.00</td> <td>5,303,482,072.08</td> </tr> <tr> <td>Non-Tax</td> <td><u>4,532,161,157.00</u></td> <td><u>4,366,466,981.25</u></td> </tr> <tr> <td>Total IGR</td> <td><u>10,462,921,709.00</u></td> <td><u>9,669,949,053.33</u></td> </tr> </table> <p style="margin-left: 40px;">Difference = 792,972,655.67</p> <p style="margin-left: 40px;">Growth Rate = <math>\frac{792,972,655.67}{9,669,949,053.33} \times 100</math></p> <p style="margin-left: 40px;">= 8.20%</p> <p>The above figures for IGR represent only IGR and does not include non-IGR items such as savings or financing so no adjustments were made to the figure.</p>	IGR	2018	2017	Tax	5,930,760,552.00	5,303,482,072.08	Non-Tax	<u>4,532,161,157.00</u>	<u>4,366,466,981.25</u>	Total IGR	<u>10,462,921,709.00</u>	<u>9,669,949,053.33</u>	Unsatisfactory	The state should improve on their IGR collection to at least achieve a 20% annual growth rate as the minimum required for this result.
IGR	2018	2017														
Tax	5,930,760,552.00	5,303,482,072.08														
Non-Tax	<u>4,532,161,157.00</u>	<u>4,366,466,981.25</u>														
Total IGR	<u>10,462,921,709.00</u>	<u>9,669,949,053.33</u>														
	<b>DLI 5: Biometric registration and bank verification number (BVN) used to reduce payroll fraud</b>															
<b>DLR 5.1</b>	<b>Biometric capture of at least [60] percent of current civil servants [and</b>		<b>Not Achieved</b>													

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
	pensioners] completed and linked to payroll, and identified ghost workers taken off the payroll			
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 60% of the current civil servants on the state payroll?	<p>We observed inconsistencies in the data provided, making it difficult to have a definite population of biometric coverage on the payroll. Some of the issues include:</p> <p><u>a.</u> Number of civil servants captured with their biometrics outnumbered the number of civil servants in the State payroll. For instance, as at 31 December 2018, the total number of civil servants stood at 20,423 while the number of civil servants captured with their biometrics was 21,332.</p> <p><u>b.</u> Issues of duplication of names in various ministries was also identified in the database: Passport photographs of some staff allegedly captured in the biometric data base were missing in the information provided. For example, the Directorate of Employment and Vocational Training; College of Health Science and Department of Higher Education shared similar issues.</p> <p><u>c.</u> Total count on some pages were not summed up in the biometric data. Hence it was difficult to ascertain the actual number of civil servants captured as the summary page was not accessible</p> <p><u>d.</u> The total number of Ministries in the biometric data for civil servants was 97 whereas the number of Ministries in the payroll stood at 89. There was no evidence justifying 8 additional ministries captured in the biometric exercise. Though the department tried to explain that 5 more MDAs were self-accounting, thus were captured but not reflected in the payroll, while the remaining 3 were not clarified.</p>	Unsatisfactory	State should correct all issues affecting its biometric exercise.

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
		<u>e.</u> An Issues report was raised on this subject matter (see Appendix A). However, responses from the State were not adequate to resolve the inconsistencies noted.		
2	Has the State linked the biometrics data to the state payroll to identify ghost workers?	<p>The State had captured some civil servants but is yet to link their biometric data to the payroll and the team could not get the precise number captured up to date as the records were conflicting.</p> <p>Tests conducted showed that the State had not linked biometric data to the payroll but had identified and removed a total number of 427 ghost workers from the payroll out of which 50 were validated and called back leaving a total of 377 ghost workers removed.</p>	Unsatisfactory	The data from the State's biometric exercise should be linked with payroll
3	Has the State removed confirmed ghost workers within three (3) months of each case being confirmed?	The State had made efforts to remove confirmed ghost workers through a verification exercise. However, the exercise was not completed.	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	<b>Link BVN data to at least [60] percent of current civil servants [and pensioners] on the payroll and payroll fraud addressed</b>		<b>Not Achieved</b>	
1	Has the State linked the Bank Verification Number data to 60% of its current Civil Servants on the state payroll?	From the data sighted on the payroll database, the State had not yet linked the Bank Verification Numbers to the current Civil Servants on the payroll.	Unsatisfactory	The State should link BVN with payroll for all civil servants and pensioners as soon as possible if not already completed in 2019
2	Has the State taken steps to identify payroll fraud?	The State provided reports of an exercise to mitigate ghost workers. This could not be verified since they had not yet linked their Bank Verification Numbers to the Payroll.	Unsatisfactory	The State should link both biometric data and BVNs to payroll to enable it identify payroll fraud

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
	<b>DLI 6: Improved procurement practices for increased transparency and value for money</b>			
<b>DLR 6.1</b>	<b>Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) eProcurement; 2) establishment of an independent procurement board and 3) cover all MDAs receiving funds from the state budget</b>		<b>Not Achieved</b>	
1	Does the State have a public procurement legal framework which must be approved by the state legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval of the public procurement legal framework shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	The Katsina State Bureau of Public Procurement Law was passed into law on 9 <sup>th</sup> June 2017 signed by both the Governor and Clerk of the house	Satisfactory	
2	Does the law conform with the UNCITRAL Model Law which should provide for: 1) eProcurement; 2) establishment of an independent procurement board; and 3) cover all MDAs receiving funds from the state budget.	The Katsina State Bureau of Public Procurement Law 2017 is structured in line with the UNCILTRAL Model Law and meets the benchmark. The requirements are as follows:  <b>1. E-Procurement:</b> Section 6(1)(c) - approve changes in the procurement process to adapt improvements in modern technology; Section 11(n) - introduce, develop, update and maintain related database and technology.  The law meets this requirement.	Satisfactory	

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations												
		<p>2. The results of our assessment of the legislation for <b>independence</b> are on the table below:</p> <table border="1" data-bbox="739 300 1335 870"> <thead> <tr> <th data-bbox="739 300 1031 329">Required provisions*</th> <th data-bbox="1031 300 1335 329">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="739 329 1031 427">The Functions and Powers of the Agency</td> <td data-bbox="1031 329 1335 427"> <ul style="list-style-type: none"> <li>▪ Complies; <b>see section 10, 11 and 12</b></li> </ul> </td> </tr> <tr> <td data-bbox="739 427 1031 488">The composition of the Board</td> <td data-bbox="1031 427 1335 488"> <ul style="list-style-type: none"> <li>▪ Compliant; See Section 5(2).</li> </ul> </td> </tr> <tr> <td data-bbox="739 488 1031 634">Membership of the Board/Council includes representatives from Professional Bodies /Associations.</td> <td data-bbox="1031 488 1335 634"> <ul style="list-style-type: none"> <li>▪ Compliant; <b>see section 5(2) b</b></li> </ul> </td> </tr> <tr> <td data-bbox="739 634 1031 724">The grounds for removal of the Chief Executive of the agency.</td> <td data-bbox="1031 634 1335 724"> <ul style="list-style-type: none"> <li>▪ Compliant; <b>see sections 13(4)</b></li> </ul> </td> </tr> <tr> <td data-bbox="739 724 1031 870">Regarding decisions of the Agency; Any other review after the Boards decision should be by judicial review</td> <td data-bbox="1031 724 1335 870">Compliant; See S. 63(7).</td> </tr> </tbody> </table> <p>*Provided by the World Bank</p> <p>The law meets this requirement</p> <p>3. On the <b>coverage of all MDAs</b> receiving funds from the state budget.</p> <p>The provisions of this Law applies to all procurement of goods, works, and services carried out by:</p> <p>(a) the State Government, Local Government Councils and all procurement entities in the State.</p> <p>Section 6(1)(c) provides for the adaptation of modern technology and therefore covers eProcurement.</p>	Required provisions*	Result	The Functions and Powers of the Agency	<ul style="list-style-type: none"> <li>▪ Complies; <b>see section 10, 11 and 12</b></li> </ul>	The composition of the Board	<ul style="list-style-type: none"> <li>▪ Compliant; See Section 5(2).</li> </ul>	Membership of the Board/Council includes representatives from Professional Bodies /Associations.	<ul style="list-style-type: none"> <li>▪ Compliant; <b>see section 5(2) b</b></li> </ul>	The grounds for removal of the Chief Executive of the agency.	<ul style="list-style-type: none"> <li>▪ Compliant; <b>see sections 13(4)</b></li> </ul>	Regarding decisions of the Agency; Any other review after the Boards decision should be by judicial review	Compliant; See S. 63(7).		
Required provisions*	Result															
The Functions and Powers of the Agency	<ul style="list-style-type: none"> <li>▪ Complies; <b>see section 10, 11 and 12</b></li> </ul>															
The composition of the Board	<ul style="list-style-type: none"> <li>▪ Compliant; See Section 5(2).</li> </ul>															
Membership of the Board/Council includes representatives from Professional Bodies /Associations.	<ul style="list-style-type: none"> <li>▪ Compliant; <b>see section 5(2) b</b></li> </ul>															
The grounds for removal of the Chief Executive of the agency.	<ul style="list-style-type: none"> <li>▪ Compliant; <b>see sections 13(4)</b></li> </ul>															
Regarding decisions of the Agency; Any other review after the Boards decision should be by judicial review	Compliant; See S. 63(7).															

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
		<p>Part 1 Section 3 provides a definition of a “Procuring Entity” which ‘means any public body in the State engaged in procurement and includes, Ministries, Departments, Bureau, Offices and Agencies of the State, Extra-Ministerial Offices, Parastatals, Corporations, State University and others tertiary institutions, Government Institutions and Local Government Councils and their derivative Units;</p> <p>The law meets this requirement.</p> <p>The Katsina State Bureau of Public Procurement Law 2017 was therefore found to be substantially compliant with the UNCITRAL Model law and adequately compliant with the requirements of DLR 6.1</p>		
3	Has the state instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: board, bureau, commission, council, agency or any other type of entity set up for the statutory purpose?	Although Katsina State Bureau of Public Procurement Law 2017, provides for the establishment of the Katsina State Bureau of Public Procurement in Section 4(1), the state does not have a functional agency for this purpose. We noted that procurement is overseen by a State Tenders Board. From our interview with the Board Secretary we noted that it is chaired by the Deputy Governor and meets quarterly.	Unsatisfactory	The State should ensure the establishment of an independent procurement regulatory agency to effectively carry out the required functions.
DLR 6.2	<b>Publish contract award information above a threshold set out in the Operations Manual on a monthly basis in OCDS format on [the state website/ on the online portal]</b>		Not Achieved	



	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year that are above the threshold (as defined in the state procurement law or in the state procurement regulation(s)), in line with the Open Contracting Data Standards (OCDS). For 2018, states can publish the information on the state official website or online portal if already established.	Katsina State provided details of contracts awarded in hard and soft copies. However, no information was published online in respect of the awarded contracts in 2018.	Unsatisfactory	State should adopt the OCDS and publish contract award information online as required under the standard.
	<b>DLI 7: Strengthened public debt management and fiscal responsibility framework</b>			
<b>DLR 7.1</b>	<b>Approval of state-level public debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits</b>		<b>Not Achieved</b>	
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?	Katsina State has the Fiscal Responsibility Law 2017 and a Notice for the Establishment of Debt Management Department	Satisfactory	

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
2	Does the legislation include provisions which establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state	<p>Section 5(a-c) of the Notice for the Establishment of Debt Management Department 2008 contains the provision on recording/reporting state debt.</p> <p>Section 5(d-g) of the Notice for the Establishment of Debt Management Department 2008 contains provisions on managing risk and providing guidance. It sets out the functions of the Department in advising the government on debt and can be interpreted to cover debt rules and limits but could be more specific.</p> <p>In addition, Section 44(1) of the Fiscal Responsibility Law of 2017 empowers the Governor, subject to advice from the HCoF and to SHoA approval, to set overall limits for the amount of consolidated debt of the State Government.</p> <p>No specific provisions that cover the responsibility for contracting state debt were seen.</p>	Unsatisfactory	<p>The State should enact a public debt management law that, taken together with the FRL, meets the requirements of the DLR.</p> <p>State should also note that the Notice establishing the Katsina State Debt Management Department is not an approved state level public debt legislation as required for this result.</p>
<b>DLR 7.2</b>	<b>Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018</b>		<b>Not Achieved</b>	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2018?	<p>This DLI was assessed based on Q4 only, as the revised report template and DMO verification protocols were only implemented in Q4 2018.</p> <p>DMO reports remarked that the state's quarterly reports were not submitted.</p> <p>Q1 – Q4 report were submitted the same date 11/04/2019</p>	Unsatisfactory	The State should submit timely Debt reports.
2	<b>Note: Have you reviewed for accuracy and completeness from the DMO:</b> The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents	For Q4, the DMO remarked a 'No Data Submitted' observation on the report. Hence, the accuracy and completeness of the state's report was not ascertained.	n/a	<i>State should submit accurate quarterly state domestic report</i>

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
	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.	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.		
	<b>DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears</b>			
<b>DLR 8.0</b>	<b>Domestic arrears as of end 2018 reported in an online publicly-accessible database, with a verification process in place and an arrears clearance framework established.</b>		<b>Not Achieved</b>	
1	Has the State established an Arrears Clearance Framework (ACF)?	No Arrears Clearance Framework established as at 31 <sup>st</sup> Dec 2018	Unsatisfactory	The State should establish an Arrears Clearance Framework
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	See above	Unsatisfactory	See above
3	Has the ACF been published on a state official website?	See above	Unsatisfactory	See above
4	Has the State established an Internal Domestic Arrears Database?	Katsina State has not yet established an Internal Domestic Arrears Database as at 31 <sup>st</sup> Dec 2018	Unsatisfactory	
5	Has the State published online elements of the internal domestic arrears database on a state official website, which constitutes the online publicly-accessible arrears database?	See above	Unsatisfactory	See above
	<b>DLI 9: Improved debt sustainability</b>			
<b>DLR 9</b>	<b>Average monthly debt service deduction is &lt; 40% of gross FAAC allocation for FY [2018]</b>		<b>Achieved</b>  Stretch Target met	

	<p><b>AND Total debt stock at end Dec [2018] as a share of total revenue for FY [2018] meets target:</b></p> <p><b>-Basic target: &lt; [150%]</b>  <b>-Stretch target: &lt; [125%]</b></p>			
	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31<sup>st</sup> December 2018) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1<sup>st</sup> January to 31<sup>st</sup> December 2018)?</p> <p><b>-Basic target:&lt; [150%]</b>  <b>-Stretch target: &lt; [125%]</b></p>	<p><b>Note that total revenue from the 2018 audited FS was adjusted as follows:</b></p> <p>Total Revenue= N100,955,342,963.78</p> <p><b>Less:</b></p> <p>Other revenues  (Paris Club) = (N16,333,807,361.93)</p> <p>Proceeds from sales  of Housing = (N84,895,106.90)</p> <p>Total Adjusted  Revenue = <b>N84,536,640,494.95</b></p> <p><b>Result calculation Based on 2018 Financial Statements</b></p> <p>Total Debt <u>N41,263,202,066.40</u> x 100  Adjusted Revenue N84,536,640,494.95</p> <p>Total Debt to Total Revenue = 48.81%</p> <p><b>Result calculation based on FMOF/CBN/DMO Figures</b></p> <p>State's External debt:  (\$62,133,706.90  @N307) = N19,075,048,018</p> <p>Domestic debt N69,021,307,688</p> <p>Total Debt N88,096,355,706 *</p> <p><b>Total Debt to Revenue</b>  <u>88,096,355,706</u> X 100 = 104%  84,536,640,494.95</p>	<p>Satisfactory</p>	<p>At the time of our draft APA report, the State was to provide clarification on the difference of N45bn between the Debt figure stated in the 2018 Audited Financial Statements of the State and the Debt figures provided by the DMO, FMOF and CBN</p> <p><b>Updated information</b>  After final reconciliation with updated Debt figures received from FMOF/CBN/DMO we noted that the difference between the Debt figure stated in the 2018 Audited Financial Statement and the DMO Figure was actually N46,833,153,639.60</p>

		<p>*Table 3 below holds a breakdown of the Total Debt.</p> <p><b>Key issue</b>  There is a noted difference between the State's debt figure and that of the DMO of <b>N46,833,153,639.60</b> (N88,096,355,706 - N41,263,202,066.40)</p> <p>This affects the credibility of the Financial Statements and requires clarification and was raised as an Issue for the State to resolve – see Appendix A</p>		
	<p>Has the State met:</p> <p>(ii) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1<sup>st</sup> January to 31<sup>st</sup> December 2018) is less than 40 percent of the gross FAAC allocation for the same calendar year.</p>	<p><b>Based on Audited FS</b> (Page 19)  Gross FAAC Rev. N53,570,845,206.25  Total Deductions. N7,213,230,722.85  = <math>N7,213,230,722.85 / 53,570,845,206 \times 100</math>  = 13.46%  Debt Service to Gross FAAC =13.46%</p> <p><b>Based on FMoF data</b>  Deductions - 6,803,805,923  Gross FAAC - 68,911,317,665  Percentage – 9.9%</p>	Satisfactory	

**TABLE 3: DLI 9 31 DECEMBER 2018 STATE DEBT STOCK TABLES FOR KATISINA STATE**

<b>NAIRA</b>	<b>KATSINA</b>
1. BUDGET SUPPORT LOAN (SOURCE FMOF)	17,569,000,000
2. BAIL OUT (SALARIES) (SOURCE CBN)	10,446,474,859
3. RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
4. EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	8,791,666,667
5. STATE BONDS	-
6. COMMERCIAL BANK LOANS	2,480,682,610
7. CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
8. BAIL-OUT (INFRASTRUCTURE)	-
9. MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF) (SOURCE CBN)	2,000,000,000
10. JUDGEMENT DEBTS	-
11. GOVT - GOVT DEBTS	-
12. CONTRACTORS' ARREARS	25,953,581,884
13. PENSION AND GRATUITY ARREARS	1,779,901,669
14. SALARY ARREARS AND OTHER CLAIMS	-
15. OTHER DEBTS	-
<b>TOTAL DOMESTIC DEBT (TDD)</b>	<b>69,021,307,688</b>
<b>TOTAL EXTERNAL DEBT (TED)</b>	<b>19,075,048,018</b>
<b>TOTAL PUBLIC DEBT (TED+TDD)</b>	<b>88,096,355,706</b>

**Table Notes**

1. Domestic debt stock figures (except for categories 1,2,4,7 and 9) are the figures as at 31st December 2018 reported by states to the DMO in their signed Q3 2018 state domestic debt reports.
2. Domestic debt stock categories 1,2,4,7 and 9 figures are the figures of outstanding loans as at 31 December 2018 reported by Federal Ministry of Finance and Central Bank of Nigeria to the DMO as part of the DMO Q4 2018 verification exercise.
3. External debt stock as at 31 December 2018 reported by the DMO.

## 4. Response from the State

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*State should please use this box for their response.*

State's Response	IVA Response/Treatment
<p data-bbox="170 287 306 315">Sir/Madam</p> <p data-bbox="170 362 961 634">Further to your email. The Katsina state Steering committee has reviewed the report and has mandated me to inform you that all the stakeholders have been appraised of areas that need to be strengthened accordingly. Furthermore, there is correction on DLR 5.1as it should state that the last biometric exercise was done in 2018 not 2014 as stated in the memo, and presently there is an ongoing exercise taking place with a view to meet the requirements.</p> <p data-bbox="170 682 478 743">Thanks and best regards Katsina State focal person</p>	<p data-bbox="989 287 1671 349">Noted. We have reviewed your submission and made the necessary amendment.</p>

# Appendix A

## Biometric exercise leading to removal of 427 Ghost Workers and 286 Ghost Pensioners in 2018

### ISSUE REPORTING TEMPLATE FOR THE SFTAS ANNUAL PERFORMANCE ASSESSMENT

RESPONSES ARE REQUIRED WITHIN 48 HOURS PLEASE

State:	Katsina State
DLI affected:	DLI 5 – Biometric Registration and Bank Verification Number (BVN) used to Reduce Payroll Fraud
Prepared by:	Victor Inyama
Date:	17/12/2019

**1. APA Issue: Need further clarification on the Biometric exercise leading to removal of 427 Ghost Workers and 286 ghost pensioners in 2018**

**2. Description of finding/issue:**

*Kindly provide us with further explanation as to how the Biometric exercise assisted in cleaning up the payroll of workers as stated above.*

*Also, state the impact in the payroll figure for both civil servants and pensioners in the state. This is necessary because some duplications were noted in the Biometric Register presented for reviews.*

**3. Effects**

*They would assist reviews as required by Quality Assurance*

**4. Clarification or information requested from the state**

Provide clarification on how the exercise assisted cleaning up your payroll and that such workers never returned to the payroll

**5. State to insert response below**

*State can attach additional information or documents as requested*



Dear sir

RE: Issue Reporting Template for the SFTAS Annual Performance Assessment (APA)

Affected DLI: DLI 5 - Biometric Registration and Bank Verification Number (BVN) used to Reduced Payroll Fraud

Reference to the aboved subject matter. I have contacted the relevant agencies (Head of Service & Department of Estabs. Pension and Training) for the information and find below the photocopy of the information collected as the time is against me to type it.

Kindly received with consent and all inconvenience is regretted, pls.

Signed,

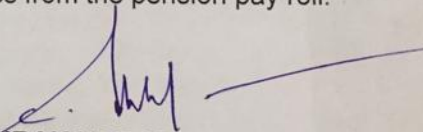
Ali Ahmadu

Katsina State SFTAS Forcal person PforR

**IMPACT OF BIOMETRIC EXERCISE ON PENSION  
PAY ROLL IN THE STATE**

The Bio Metric data capture of the State Pensioners was conducted by Guarantee Trust (GT) Bank as Consultant. Physical verification of Pensioners and their Record was conducted by a Committee of Auditors and administrators before the Consultant (GTB) captured them, as a result 286 Pensioners who did not appeared for the verification were fished out. Subsequently the Bank took up the payment of monthly pension of all pensioners in the State in order to maintain the clean list and prevent the re-appearance of the unwanted names; also new pensioner has to be cleared before being enroll in to the Pension pay roll.

In an effort to clean up the pension pay roll recently life certificate exercise which is done annually was re-introduced with view to ascertain existing pensioners and remove the dead ones from the pension pay roll.

  
**(ABUBAKAR BARAU)**  
DIRECTOR, PENSION  
Department of Establishment, Pension and Training

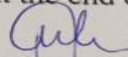
**EXPLANATION AS TO HOW THE BIOMETRIC  
EXERCISE ASSISTED IN CLEANING UP THE PAYROLL  
OF WORKERS**

The Bio-metric data capture exercise of the State workers was conducted by Team of Auditors from office of the Auditor General of the State and Administrative Officers who went round the State and conducted physical verification of workers and their records before certifying them to be captured by the Consultants (UBA). It is worthy to note here that since the implementation of New National Minimum Wage in the year 2011, UBA was commissioned to conduct the Bio-metric data capture of the State Workforce and the Local Governments and thereafter, subsequent payment of salaries up to date are being paid by the UBA.

However, in an effort to clean the payroll, another verification exercise was conducted in November, 2017 and ended in March, 2018 as highlighted earlier the exercise assisted in cleaning up the payroll as per major findings below: -

- i) Removal of 427 names of staff from the payroll who could not appear for the verification;
- ii) Up to December, 2019 only about 50No. staff with genuine records approved and reinstated in the payroll;
- iii) Some illegal and unauthorized employments were detected and terminated;
- iv) Some staff enjoying allowances that they were not supposed to enjoy particularly in Health sector were identified and removed from the payroll.

It is important to note that the office of the Accountant General is sending payrolls to each MDAs monthly to indicate those who retired or died and new employments, as such the payroll is being updated every month, while the information in the database is presently being validated to ensure that the information in the payroll and the database are the same, as such all the duplications observed will be removed from the database at the end of the validation exercise.

  
**USMAN ISYAKU**  
**Director Human Resource**  
**Office of the Head of Civil Service of the State.**

## Appendix B

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

#### Katsina State

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

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

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

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

Overview				
Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
<a href="https://www.katsinastate.gov.ng/">https://www.katsinastate.gov.ng/</a> <a href="https://www.katsinastate.gov.ng/finance/">https://www.katsinastate.gov.ng/finance/</a> <a href="http://katsinapost.com.ng/tag/katsina-state-house-of-assembly/">http://katsinapost.com.ng/tag/katsina-state-house-of-assembly/</a>	A search was done on Katsina State website	The 2019 Budgets were published on the State Official website, a copy was downloaded. <b>There's no evidence of 2019 Budgets being signed by the governor.</b>	A request was made on 12/03/2019 to the focal persons to provide evidence of the governor's assent. A phone call was put across on 22/03/19 to the focal persons for follow up on the governor's assent; the response was that it will be uploaded on the state's website.	<b>EC was met</b>  The State focal person responded on 09/04/19 providing a link ( <a href="https://www.katsinastate.gov.ng/">https://www.katsinastate.gov.ng/</a> ) of the governor's assent. A copy was downloaded.

Tests/checks performed	Results	Areas for improvement
Is the approved budget for 2019 available on any of the State Government Websites?	Yes	
Was the approved budget published online before 28 February 2019?	Yes	
Is the published budget clear and legible?	Yes	
Can the budget be downloaded?	Yes	
Do we have evidence of assent by the Governor?	Yes	Governor's Assent should always be published with the Budget

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

Source(s)	Initial Work Done	Initial Comments/Observation	Follow up	Final Assessment
<a href="https://www.katsinastate.gov.ng/audited-financials/">https://www.katsinastate.gov.ng/audited-financials/</a> <a href="https://www.katsinastate.gov.ng/audited-financials/">https://www.katsinastate.gov.ng/audited-financials/</a>	A search was done in several pages of the Katsina State Website	The 2017 Financial Statements were published on the State official website, a copy was downloaded.	N/A	<b>EC met</b>

Tests/checks performed	Results	Areas for improvement
Were the Financial Statements (FS) for 2017 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)	Yes	
Were the Financial Statement for 2017 available published online before 31 December 2018?	Yes	
Are the published financial statements clear and legible?	Yes	
Can the Financial Statements be downloaded?	Yes	
Do we have evidence of audit by the State Auditor-General?	Yes	
Are the financial statements complete, including primary statements and disclosure notes?	Yes	
Are there any indications that balances within the financial statements are not credible	Partly	i. Public debt charges (loan repayment) not in cash flow but reported in financial statement. ii. No social benefits (such as pension and gratuity reported) iii. No notes explaining whether public debt is internal or external.