



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

**2019 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**



**November 2020**

# Table of Contents

<b>1. Executive summary.....</b>	<b>3</b>
<b>2. Introduction .....</b>	<b>6</b>
2.1 Overview.....	6
2.2 Scope .....	6
<b>3. Assessment Results .....</b>	<b>7</b>
3.1 Findings.....	7
<b>4. Response from the State.....</b>	<b>32</b>
<b>Appendix A – Report on the achievement of the Eligibility Criteria for 2019 .....</b>	<b>35</b>
<b>Appendix B - Unresolved issues report.....</b>	<b>38</b>

# 1. Executive Summary



This report details the outcome of the Annual Performance Assessment (APA) conducted on Katsina State for the second (2019) year of the four-year SFTAS Program. In conducting the APA, the verification team assessed how the State performed against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines and verification protocol.

**Table 1** (below) reflects the outcome of the 2019 APA for Katsina State and shows areas where the State achieved results. In total, Katsina State achieved **2 (Two)** DLRs out of 15 DLRs applicable to 2019. One of the achieved DLRs was due for assessment during the 2020 APA but has been assessed early as requested by the Programme.

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: Budget implementation reports should include, at a minimum, the approved budget appropriation for the year for each organizational unit (MDAs), and for each of the core economic classifications of expenditure (Personnel, Overheads, Capital, and Other expenditures). It should also state balances against each of the revenue and expenditure appropriations. The balances should also be provided on a consolidated basis across the four (4) expenditure classifications.
2. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual requirements for this result.
3. DLR 2.1: Conduct public consultation on the proposed budget with the participation of Local Government Authorities and State based CSOs. The minutes of the consultation should be jointly prepared and signed with the CSOs representatives and be posted on the States' website with the proposed budget.
4. DLR 2.2: Prepare and publish online the citizen's budget before the due date.
5. DLR 3.0: Develop a functional State-level TSA where all Government revenues are credited before expenditure. Formally approve a cash management strategy. Increase the percentage of state government finances flowing through the TSA to at the least the minimum required to achieve this result.
6. DLR 4.1: Review for amendments, the Revenue Law (alongside with the revenue code). The revenue law should clearly state the sources of the revenues, (including the Local Governments sources). The amended revenue law and code should be published online.
7. DLR 4.2: Increase its IGR revenue to achieve a minimum of 20% nominal annual growth rate.
8. DLR 5.1: Biometric data of all the State's civil servants and pensioners is captured and linked with the State's payroll to reduce fraud.
9. DLR 5.2: The BVN data of all Civil servants and Pensioners is linked to the State's payroll to address payroll fraud.
10. DLR 6.2: Publish contract award information, above the set threshold, and on a monthly basis in OCDS format on the State's website.
11. DLR 7.1: Amend the Fiscal Responsibility law and/or State Debt Management Law to provide for the responsibilities for contracting state debts, recording and reporting state debts, to establish fiscal and debt rules/limits.
12. DLR 7.2: The Domestic Debt Stock reports are submitted to the DMO within the required timeframe.
13. DLR 8: A Domestic Arrears Clearance Framework (ACF) is established and an internal domestic arrears database with relevant balances placed online through a publicly accessible portal. Domestic arrears are cleared year on year to achieve total reductions in arrears in line with the targets set for this DLR)

**Table 1: Assessment Results**

<b>Key:</b>	Achieved		Not Achieved	
-------------	----------	---	--------------	---

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<b>DLI 1:</b> Improved financial reporting and budget reliability	DLR 1.1: FY19 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		The reports were published 22.8 weeks after the quarter end on average.

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	DLR 1.2: FY19 deviation for total budget expenditure is < 25%		Budget expenditure deviation was 53.3%.
<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 FY2020 budget.		The minutes of Public Consultation / Town-hall meeting were not seen.
	DLR 2.2: Citizens' budget based on approved FY19 State budget published online by end April 2019.		The Citizens budget was published on 5 <sup>th</sup> August, 2020.
<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 60 percent of state government finances implementation of State TSA		The State did not have a functional TSA or a Cash Management Strategy.
<b>DLI 4:</b> Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		The Revenue code does not include all sources of revenue for Local Governments, and does not stipulate the SBIR as the sole agency responsible for state revenue.
	DLR 4.2: 2019-2018 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more		IGR nominal Growth Rate was 4%.
<b>DLI 5:</b> Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 75 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		69% of Staff and Pensioners on payroll have biometric data linked.
	DLR 5.2: Link BVN data to at least 75 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		69% of Staff and Pensioners on payroll have BVN data linked.
<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. 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.		This is a 2020 result assessed early. All requirements were met.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the state website		There was no publication of contract award information online. Published Contract award information published was not in the OCDS format.
<b>DLI 7:</b> 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 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 2019		The SDDR were published on average 19 weeks after the quarter end.
<b>DLI 8:</b> Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established <b>and</b> Percentage decline in the verified stock of domestic arrears		State has no Arrears Clearance Framework State has not established Internal Domestic Arrears Database.

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.		
<b>DLI 9:</b> Improved debt sustainability	Total debt stock at end of December 2019 as a share of total revenue for FY2019 meets target: Basic target: < 140%, Stretch target: < 115%. <b>and</b> Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2019.	<b>Stretch target achieved</b>	Monthly debt service deduction is 7.2% of Gross FAAC and the Total Debt Stock to Revenue is 89%.

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

## 2. Introduction

---

### 2.1 Overview

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

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and JK Consulting Co. Ltd was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2019. To ensure a high-quality assessment, the IVA engaged the services of experts in Taxation, Procurement and Debt Management laws to review the legislation in place for each State.

### 2.2 Scope

This Annual Performance Assessment (APA) Report covers the State’s performance in 2019 against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines and verification protocol. Each State was earlier assessed against the Eligibility Criteria set in the protocol, to determine the state’s eligibility for grants under the 2019 APA. The results of the eligibility assessment were reported previously to each state, and are included in Appendix A.

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitised on the requirements of the program and on the protocol for 2019. The assessment results are binary (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 13/09/2020 and 19/09/2020 with a team of four persons, starting with an opening meeting where all the information requested were handed over. The visit was concluded with an exit meeting where the initial findings were discussed, and each state was given further opportunity to provide clarifications and/additional information.

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

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

### 3 Assessment Results

#### 3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>DLI 1: Improved Financial Reporting and Budgeting Reliability</b>				
<b>DLR 1.1</b>	<b>Financial Year [2019] 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 on average within six weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on <a href="https://www.katsinastate.gov.ng/2019-budget-performance/">https://www.katsinastate.gov.ng/2019-budget-performance/</a> as follows:</p> <ul style="list-style-type: none"> <li>• Q1 – (12/02/2020) – 45.4 weeks (318 days)</li> <li>• Q2 – (12/02/2020) – 21.9 weeks (227 days)</li> <li>• Q3 – (12/02/2020) – 17.6 weeks (135 days)</li> <li>• Q4 – (12/02/2020) – 6.1 weeks (43 Days)</li> </ul> <p>Average weeks for the online publication is computed as below:</p> $\frac{45.4+21.9+17.6+6.1}{4}$ <p>Average = 22.8 Weeks (159 days)</p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters of the year 2019 but could not obtain evidence of a time stamp of the publications. Although a screen shot of the back end was used.</p>	Unsatisfactory	The State should ensure all quarterly implementation reports are published within six weeks of the end of each quarter

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		However, there was a discrepancy in the dates of publication in the submissions of the State. An Issue Report has been raised but it is yet to be responded to by the State.		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year to date, and balances against each of the revenue and expenditure appropriations.	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s website (<i>see weblinks above</i>), we observed following;</p> <ul style="list-style-type: none"> <li>• The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classification of expenditures.</li> <li>• The Budget Implementation Reports included the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year to date,</li> <li>• The Budget Implementation Reports does not contain balances against each of the revenue but contains the balances against each of the expenditure appropriations.</li> <li>• We also observed that the State does not have an amended/revised or passed supplementary budgets for 2019.</li> </ul>	Unsatisfactory	The State should ensure the reports include the balances against each of the revenue.
3	Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for year to date?	Upon review of the State’s Budget Performance reports, it states the actual expenditures for each quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date.	Satisfactory	
4	Does the report State balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and ‘Other Expenditures’ which will include debt servicing, and transfers, or other expenditures not attributable to any of	Upon review of the State’s Budget Performance reports, it states the balances against each of the expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications but does not contain balances against each of the revenue. Debt servicing was included in the Capital Expenditure economic classifications" instead of 'Other Expenditures'.	Unsatisfactory	The State should ensure the reports include the balances against each of the revenue.



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	the other three (3) expenditure classifications?															
<b>DLR 1.2</b>	<b>FY [2019] deviation from total budget expenditure is less than 25%</b>		<b>Not Achieved</b>													
1	<p>Has the State computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 25%</p>	<p>The State computed the budget deviation for 2019 to be 52.78%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Original Budget</th> <th>Actual Outturn</th> </tr> </thead> <tbody> <tr> <td>Capital Exp.</td> <td>144,784,779,805</td> <td>31,611,456,423</td> </tr> <tr> <td>Rec. Exp.</td> <td>57,646,092,370</td> <td>62,859,306,454</td> </tr> <tr> <td><b>Total</b></td> <td><b>202,430,872,175</b></td> <td><b>94,470,762,877</b></td> </tr> </tbody> </table> $\frac{\text{₱ } 202,430,872,175 - \text{₱ } 94,470,762,877}{\text{₱ } 202,430,872,175} \times 100 = 53.3\%$ <p>The budget performance deviation is 53.3%</p> <p><b>Source:</b> 2019 Audited Financial Statement Page 155 and Approved Budget and Actual Expenditure or Appropriation Law Page 1.</p>		Original Budget	Actual Outturn	Capital Exp.	144,784,779,805	31,611,456,423	Rec. Exp.	57,646,092,370	62,859,306,454	<b>Total</b>	<b>202,430,872,175</b>	<b>94,470,762,877</b>	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	Original Budget	Actual Outturn														
Capital Exp.	144,784,779,805	31,611,456,423														
Rec. Exp.	57,646,092,370	62,859,306,454														
<b>Total</b>	<b>202,430,872,175</b>	<b>94,470,762,877</b>														
<b>DLI 2: Increased 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 [2020] budget</b>		<b>Not Achieved</b>													
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with	a) The State did not conduct a town-hall meeting with the participation of Local Government Authorities, State based	Unsatisfactory	The State should hold public consultations prior to												

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	participation of local government authorities and State-based CSOs?	CSOs and other relevant Stakeholders of the State towards the 2020 Budget.		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 posted on the official State website, alongside the proposed annual budget on or before 31 January 2020 to enable citizens to find the inputs easily?	a) The State did not conduct a town-hall meeting with the participation of Local Government Authorities, State based CSOs and other relevant Stakeholders of the State towards the 2020 Budget.	Unsatisfactory	The minutes of public consultations should be published online and within the set timeframe.  The minutes should be signed by the CSOs in attendance.
<b>DLR 2.2</b> New	<b>Citizens' budget based on approved FY19 State budget published online by end April 2019.</b>		<b>Not Achieved</b>	
1 New	Has the State published online, on the State website(s) a <i>Citizens Budget based on the approved FY19 state budget</i> not later than 30 April 2019?	The official website of the State was visited and the IVA found that the State published its 2019 Citizen's Budget however, there were two dates of publication of the Citizen's Budget provided by the State from its back end thereby creating a discrepancy. An issue report was raised to that effect and the State is yet to respond.  <i>Update at 29 November 2020 - The State is still yet to respond to the issue report that was raised with respect to this, despite all the IVA's follow up efforts with the State.</i>	Unsatisfactory	The State should ensure they publish online, on the State website the citizens' budget by no later than 30 April.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2 New	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY19 state budget?	<p>We confirmed that the Citizens budget summarizes in a comprehensible manner to citizens the approved FY19 State Budget. There are no significant discrepancies with the standard template provided to the State. It accurately includes the key budget information from the original budget, including the following;</p> <ol style="list-style-type: none"> <li>i. A simple explanation of the annual budget/citizen's budget;</li> <li>ii. Breakdown of revenues and expenditures</li> <li>iii. Disclosure of Budget deficit (if any) and how it will be financed.</li> <li>iv. Sectoral Allocation (MDAs by MDAs)</li> <li>v. Top Projects to be financed (at least 5)</li> </ol>	Satisfactory	
<b><i>DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA</i></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?	<ol style="list-style-type: none"> <li>a. The State has not established a functional state-level TSA.</li> <li>b. The State TSA covers FAAC and IGR with the following account details: <ul style="list-style-type: none"> <li>• TSA Bank: United Bank for Africa</li> <li>• Account Name: Katsina State Government</li> <li>• Account Number: 1019265062.</li> </ul> </li> <li>c. Other Statutory Accounts Includes: <ul style="list-style-type: none"> <li>• VAT Account: Access 0697415815</li> </ul> </li> </ol>	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	A one-page document was presented to the IVA as a Cash Management Strategy, which was signed by the State Accountant General. This one-page document was reviewed and found to be inadequate.	Unsatisfactory	The State should implement an approved cash management strategy which covers the processes

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	able to forecast cash commitments and requirements and provide reliable information on the availability of funds.	The one-page Cash Management Strategy does not include 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.		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 on the approved cash management strategy)?	The State does not have an application where the State can view the cash balances in the TSA. The one-page Cash Management Strategy of the State does not provide for a central view of cash balances.	Unsatisfactory	The State should establish a cash management system that allows for a central view of cash balances in bank accounts on a single electronic dashboard.
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	<ul style="list-style-type: none"> <li>a) The TSA of the State is Katsina State Government with UBA 1019265062.</li> <li>b) The State TSA covers FAAC and IGR</li> <li>c) The State conducts sweeping of balances from other collecting banks to the IGR account every 5 working days (every week) after Seven days (1 week), it is being swept to the TSA. However, there is no policy on sweeping of balances from other collecting banks in the Cash Management Strategy.</li> <li>d) The TSA bank Statement has been obtained.</li> </ul>	Unsatisfactory	The State's TSA should have one consolidated revenue treasury account for state revenues (FAAC, VAT and IGR).
5	Does the TSA cover a minimum of 60% of the State Government's finances?	The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2019.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
		<p>See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Inflows</th> <th>Total Outflows</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>94,332,350,146.49</td> <td>95,188,556,779.42</td> </tr> <tr> <td>Government Finances*</td> <td>97,179,934,411.49</td> <td>94,470,762,876.78</td> </tr> <tr> <td>Percentage</td> <td>97%</td> <td>101%</td> </tr> </tbody> </table> <p>The average is percentage computation is:</p> $\frac{97\% + 101\%}{2} = 99\%$ <p>The TSA covered 99% of the State's finances.</p> <p>*Sources: 2019 Audited Financial Statement (Cashflow Statement) Page 155 and the TSA Statement from (UBA 1019265062) for 2019 (01/01/2019 to 31/12/2019).</p>		Total Inflows	Total Outflows	TSA Bank Statement	94,332,350,146.49	95,188,556,779.42	Government Finances*	97,179,934,411.49	94,470,762,876.78	Percentage	97%	101%		
	Total Inflows	Total Outflows														
TSA Bank Statement	94,332,350,146.49	95,188,556,779.42														
Government Finances*	97,179,934,411.49	94,470,762,876.78														
Percentage	97%	101%														
<b>DLI 4: Strengthened Internally Generated Revenue (IGR) Collection</b>																
<b>DLR 4.1</b>	<b>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</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?	a) "A Law to Harmonize the Collectable Revenue by the Katsina State Ministries, Departments, Agencies Institutions and Extra Ministerial Departments and for connected matters. Law NO. 2 of 2019" and assented on the 8th of April 2019.	Unsatisfactory	The State should amend its current harmonised law to include all sources of revenue for local governments.												

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<ul style="list-style-type: none"> <li>b) The Revenue Code &amp; rates are not separate from the Revenue law.</li> <li>c) The State presented two Revenue Laws to the IVA, The Law NO.10 of 2014 and Law NO. 2 of 2019. The tax laws seem not to be properly cross-referenced or linked.</li> <li>d) The revenue code was approved on the 8th of April 2019.</li> <li>e) <a href="https://www.katsinastate.gov.ng/katsina-state-laws/">https://www.katsinastate.gov.ng/katsina-state-laws/</a></li> <li>f) The Law NO. 2 of 2019 includes the IGR sources of the State alone and not Local Government.</li> <li>g) The Law NO. 2 of 2019 includes the rate chargeable for each IGR source of the State alone and not the Local Government.</li> </ul>		
2	<p>Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) or the State Internal Revenue Service (SIRS) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?</p> <ul style="list-style-type: none"> <li>a) Section 6 (1) of the Law NO. 10 of 2014 stated that "the board shall be responsible for ensuring the effectiveness and optimum collection of all taxes, fees, charges and penalties due to the Government under the relevant Federal and State Laws, Provided that after accounting for the collection an amount of ten percent (10%) of the revenue collected shall be retained by the State Internal Revenue Board to defray the cost of collection and administration", However the Law does not explicitly states the Katsina State Board of Internal Revenue as a sole agency responsible for state revenue (tax and non-tax).</li> </ul> <p>These are the same Revenue Laws that were reviewed in the 2018 APA.</p>	Unsatisfactory	The State should amend its Tax legislation to make it explicit in the law that the SBIR/SIRS is the sole collector for all State government revenues.
3	<p>Is the collection of revenues is made into accounts(s) nominated by the SBIR OR SBIR has full oversight of the accounts and is responsible for reporting and accounting for the revenues</p> <ul style="list-style-type: none"> <li>a) The Katsina State Board of Internal Revenue collection of revenues is made into IGR accounts.</li> <li>b) Section 7(3) of the Law NO. 10 of 2014 stated that "the Board shall have a revenue remittance Bank account for the payment of all Government revenue in the State and its remittance shall be in a manner as may be prescribed by the Commissioner for Finance". The SBIR is not responsible for the Local Government IGR.</li> </ul>	Unsatisfactory	State should revalidate revenue accounts by ensuring SBIR/SIRS nominates such accounts.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																
4	<p>Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?</p> <p>It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.</p>	a) The Katsina State Revenue Laws, the Law NO. 10 of 2014 was approved and assented to on the 14th of March, 2014 and while the Law NO. 2 of 2019 was approved and assented to on the 8th of April 2019. However, these Laws do not contain the Local Government IGR sources.	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?	a) Copies of the Katsina State Revenue Laws have been downloaded. b) Posted online on the 25th of March 2020. c) <a href="https://www.katsinastate.gov.ng/katsina-state-laws/">https://www.katsinastate.gov.ng/katsina-state-laws/</a> .	Satisfactory																	
<b>DLR 4.2</b>	<b>Annual nominal IGR growth rate meets target</b>		<b>Not Achieved</b>																	
1	<p>Has the 2019-2018 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: 20%-39% Stretch Target: 40% or more</p>	<p>a. The State adopted cash basis of accounting for 2018 Financial Statement and accrual basis of accounting for 2019 Financial Statements. The schedule of receivables (2019) was requested for using an Issue Report, in order to ascertain if there were accrued IGR balances in the 2019 receivables. The State is yet to respond. The IGR Growth rate has been computed using the IGR balances in the Cash Flow Statement of the 2019 Financial Statement.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1" data-bbox="730 1156 1480 1404"> <thead> <tr> <th></th> <th colspan="2">NGN</th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2018</th> <th>2019</th> <th></th> </tr> </thead> <tbody> <tr> <td><i>Memo: Reported IGR in AFS (Before Adjustments)</i></td> <td>10,462,921,709</td> <td>10,869,505,373</td> <td>4%</td> </tr> <tr> <td><b>VALID IGR items to be counted as IGR</b></td> <td><b>10,462,921,709</b></td> <td><b>10,869,505,373</b></td> <td></td> </tr> </tbody> </table>		NGN		% GROWTH	Item	2018	2019		<i>Memo: Reported IGR in AFS (Before Adjustments)</i>	10,462,921,709	10,869,505,373	4%	<b>VALID IGR items to be counted as IGR</b>	<b>10,462,921,709</b>	<b>10,869,505,373</b>		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.
	NGN		% GROWTH																	
Item	2018	2019																		
<i>Memo: Reported IGR in AFS (Before Adjustments)</i>	10,462,921,709	10,869,505,373	4%																	
<b>VALID IGR items to be counted as IGR</b>	<b>10,462,921,709</b>	<b>10,869,505,373</b>																		

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		Tax Revenue	5,930,760,552	7,956,319,400		
		Fines and Fees	266,397,423	281,742,317		
		Licences	3,066,350	1,659,600		
		Earnings and Sales	4,204,498,396	2,553,587,756		
		Rent of Govt. building	58,198,988	76,196,301		
		"Adjusted IGR" for DLI 4.2 Calculation				
		Sum of all VALID items of IGR if AFS has that detail	10,462,921,709	10,869,505,373	4%	
		$\frac{\text{₦}10,869,505,373 - \text{₦}10,462,921,709}{\text{₦}10,462,921,709} \times 100$ $= 4\%$				
		The annual nominal growth was 4%.				
		Source: 2019 Audited Financial Statement Page 154.				
<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 [75] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll</b>				<b>Not Achieved</b>	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 75% of the current civil servants and pensioners on the State payroll?	<p>The IVA team visited the Katsina State Payroll Office Monday 14<sup>th</sup> September, 2020 to verify the State's payroll system through a random sample test to confirm the linkage of the biometrics and BVN data of its Civil Servants and Pensioners to the payroll system.</p> <p>During our discussion with the Payroll Administrator, he stated that the State has a payroll system which is VeripaySuite by AppMart Integrated Limited. However, in his words he made it</p>			Unsatisfactory	The State should ensure they link the biometric data of all civil servants and pensioners to the payroll.



Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>clear to the SFTAS IVA team that <b>only</b> the biometric and BVN data of the State civil servants was linked to the payroll system. In addition, the IVA team was told that a separate office manages the State pensioners record which the team also visited. The Head of the pension Department informed the IVA team that the pensioners' payroll system is managed by Guaranty Trust bank (GTB) and the team requested to see the payroll system that GTB manages. The State promised that on Thursday 17<sup>th</sup> September, 2020 a representative of the bank will come along with the pensioners' payroll system for verification. On Thursday the 17<sup>th</sup> of September, 2020, the IVA requested for the pensioners payroll system once again and the State provided the IVA team with the same Veripay Suite payroll system which the State confirmed to the IVA earlier in the week that it did not contain the Pensioners data. This raised the IVA team's suspicion and a random sample test was done and the team discovered so many irregularities on the payroll system that proved the pensioners' payroll system had been hurriedly doctored.</p> <p><b>Below are some of the irregularities discovered on the pensioners payroll system:</b></p> <ul style="list-style-type: none"> <li>• Date of First Employment of all samples with passport photographs on the payroll all have the same date of entry into the civil service as 01/01/0000 and for the samples on the system without passports had 01/01/1981.</li> <li>• Retirement Date for all samples selected showed 16/09/2020.</li> <li>• The Date when the Data was entered into the payroll also showed 16/09/2020 as well as modification date.</li> </ul> <p><b>Kindly note that screen shot evidence were taken, that confirms the IVA's claim.</b></p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>The random sample test on the payroll system further revealed that Katsina State commenced and completed the Biometric data capture of the civil servant from October 2017 through April 2018.</p> <p>a) The biometric data capture was outsourced to AppMart Integrated Limited</p> <p>b) The total number of civil servants is 20,142.</p> <p>c) The total number of pensioners 8759.</p> <p>d) The total number of staff on the State Nominal roll and Payroll 28,901.</p> <p>e) Only the biometric data of the civil servants have been captured and linked to the payroll.</p> <p>f) The key document obtained for review was the report of the biometric exercise carried out by the payroll consultant (AppMart Integrated Limited) while the numeric data was obtained from the payroll system.</p> $\frac{\text{Number of Biometric Data Captured} \times 100}{\text{Total Number of Civil Servants + Pensioners}}$ $\frac{20,142}{28,901} \times 100 = \underline{69\%}$ <p>The State had captured 69% of the State's civil servants and pensioners.</p>		
2	<p>Has the State linked the biometrics data to the State payroll to identify ghost workers?</p> <p>a) Katsina State commenced and completed the biometric data capture of the civil servant from October 2017 through April 2018.</p> <p>b) The State has only linked the biometric data of its civil servants to the payroll system.</p> <p>c) There were no cases of ghost workers recorded during the biometric validations however, there were absentees who later showed up for the exercise.</p>	Unsatisfactory	The data from the State's biometric exercise should be linked with payroll.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) In-year changes to the civil servant and pensioner payrolls (as a result of starters, leavers, deaths etc.) were captured during the biometric exercise.</p> <p>e) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees and deaths. The documents you obtained to support this conclusion are samples of letters from various departments to the payroll office for appropriate actions.</p>		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a) There were no cases of ghost workers recorded during the linkage.	Satisfactory	
<b>5.2</b>	<b>Link BVN data to at least [75] 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 75% of its current Civil Servants and pensioners on the State payroll?	<p>The payroll office of Katsina State was visited and the IVA team carried out random sample test on the payroll system and it was verified that Katsina State commenced and completed the BVN data capture of only its civil servants from October 2017 through April 2018.</p> <p>a) The exercise was outsourced to AppMart integrated Limited.</p> <p>b) The total number of civil servants is 20,142.</p> <p>c) The total number of pensioners is 8759.</p> <p>d) The total number of staff on the State Nominal roll is 28,901.</p> <p>e) Only BVN data of the State civil servants has been linked to the payroll.</p> <p>f) Screenshots were obtained from the payroll system and documented appropriately.</p> <p style="text-align: center;"> <math display="block">\frac{\text{Number of BVN Data Linked}}{\text{Total Number of Civil Servants + Pensioners}} \times 100</math> </p>	Unsatisfactory	The State should link the Bank Verification Numbers of its Civil Servants and Pensioners to the State payroll to prevent payroll fraud.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$\frac{20,142}{28,901} \times 100$ $= 69\%$ <p>The State has linked 69% of the State' civil servants and pensioners BVN data to the payroll.</p>		
2	Has the State taken steps to identify payroll fraud?	<p>a) The number of Staff with BVN data is 20,142 and without BVN data is 8,759.</p> <p>b) There was no record of identified payroll fraud.</p>	Unsatisfactory	The State should take steps to combat payroll fraud and ensure these steps and results achieved are documented and verifiable.
<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) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget</b>		<b>Achieved</b>	This is a 2020 APA result which has been assessed early as requested by the programme.
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?	<p>a) The State has the "Katsina State Bureau of Public Procurement (Amendment) Law, 2020".</p> <p>b) The Law has been approved by the State legislature as a law.</p> <p>c) The procurement Law has been passed.</p> <p>d) The authorizing body is the Katsina State House of Assembly.</p> <p>e) The date of approval of the law was 19<sup>th</sup> May, 2020.</p> <p>f) The Law has not been published online.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations									
2	<p>Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency; and 3) cover all MDAs receiving funds from the State budget.</p>	<p>The Katsina State Bureau for Public Procurement Amendment Law 2020(2020 amendment law) is structured in line with the UNCITRAL Model and meets the requirements as shown below:</p> <p>1. <b>E-Procurement</b> - We noted that the legislation includes the following;</p> <p>S.6(1)(c) of the Principal Law approve changes in the procurement process to adapt improvements in modern technology;</p> <p>S.11(n) of the Principal Law introduce, develop, update and maintain related database and technology;</p> <p><b>Section 5 of the 2020 Amendment Law amends section 34 of the Principal Law by adding a new subsection 4 that allows procurement to be carried out by electronic means(e-procurement)</b></p> <p>The law therefore complies with the requirements for e-procurement.</p> <p>2. <b>Independence</b> - The results of our assessment of the legislation for independence are in the table below:</p> <table border="1" data-bbox="730 1117 1304 1432"> <thead> <tr> <th data-bbox="730 1117 993 1166">Required Provisions*</th> <th data-bbox="997 1117 1304 1166">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="730 1169 993 1226">The Functions and Powers of the Agency</td> <td data-bbox="997 1169 1304 1226">Complies; see section 10, 11 and 12 of the Principal Law</td> </tr> <tr> <td data-bbox="730 1229 993 1286">The composition of the board</td> <td data-bbox="997 1229 1304 1286">Compliant; See Section 5(2) of the Principal Law</td> </tr> <tr> <td data-bbox="730 1289 993 1432">Membership of the Board/Council includes representatives from Professional bodies and associations.</td> <td data-bbox="997 1289 1304 1432">Compliant; see section 5(2) b of the Principal Law</td> </tr> </tbody> </table>	Required Provisions*	Result	The Functions and Powers of the Agency	Complies; see section 10, 11 and 12 of the Principal Law	The composition of the board	Compliant; See Section 5(2) of the Principal Law	Membership of the Board/Council includes representatives from Professional bodies and associations.	Compliant; see section 5(2) b of the Principal Law	Satisfactory	
Required Provisions*	Result											
The Functions and Powers of the Agency	Complies; see section 10, 11 and 12 of the Principal Law											
The composition of the board	Compliant; See Section 5(2) of the Principal Law											
Membership of the Board/Council includes representatives from Professional bodies and associations.	Compliant; see section 5(2) b of the Principal Law											

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations
		<p>The grounds for removal of the Chief Executive of the agency.</p> <p>Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review</p>	<p>Compliant; see section 13(4) of the Principal Law</p> <p>Compliant; See S. 63(7) of the Principal Law.</p>		
		<p>*Provided in the verification protocol</p> <p><b>3. Establishment of an independent procurement regulatory agency -</b></p> <p>a) The Procurement Law provides for the following: Section 4(1) established the agency known as the Katsina State Bureau of public Procurement.</p> <p>b) The provisions of this Law apply to all procurement of goods, works, and services carried out by:</p> <ul style="list-style-type: none"> <li>The State Government, Local Government Councils and all procurement entities in the State.</li> </ul>			
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency or any other type of entity set up for the statutory purpose?	<p>a) The State has instituted an independent procurement regulatory function</p> <p>b) It is being performed through a Bureau for the statutory purpose.</p> <p>c) For the period under review, the Bureau was not responsible for prescribing regulations and procedures for public procurements in accordance with the legal framework.</p> <p>d) There was no evidence obtained of cases handled by the Bureau in the year under review. The Chief Executive and Management confirmed the Bureau was newly set up in May 2020 and activities are just beginning to kick off.</p>		Satisfactory	
<b>DLR 6.2</b>	<b>Publish contract award information above a threshold set out in the</b>				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<b>Operations Manual for 2019 on a monthly basis in OCDS format on [the State website/on the online portal]</b>		<b>Not Achieved</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(2019) that are above the threshold (as defined in the State procurement law or in the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS).	<p>a) A schedule of all contracts awarded during the year under assessment above the threshold (as defined in the state procurement law) however, these contracts were contracts handled by the State Tenders Board in the year under review.</p> <p>b) Katsina State did not publish its contracts awarded in the year under review in line with the Open Contracting Data Standards (OCDS)</p>	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>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.</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?	<p>a) The State has provided copies of their approved state-level public debt legislation through the passage of an enacted State Fiscal Responsibility Law and a Notice for the Establishment of Debt Management Department signed by the Executive Governor</p> <p>b) The date(s) of approval/assent of the State Fiscal Responsibility Law was on 9th June 2017 and a Notice for the Establishment of Debt Management Department signed on 28th August 2008</p>	Satisfactory	
2	Does the legislation include provisions which establish the following?	<p>The legislation does not include all of the required provisions.</p> <p>The laws includes only the following provisions: (i) establishing responsibilities for recording and reporting</p>	Unsatisfactory	State should pass or amend their public debt legislation to include provisions

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.</p>	<p>state debt, (ii) establishing fiscal and debt rules or /limits The sections of the laws where each of the three criteria stated above are cited are as follows: (i) Section 5(a-c) of the Notice for the Establishment of Debt Management Department 2008 contains the provision establishing responsibilities for recording/reporting state debt, (ii) 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. 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 was seen.</p>		<p>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>
<p>4 Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt.</p>	<p>a) The State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt. b) All the work done in line with the Test Programme is as follows:</p> <ul style="list-style-type: none"> <li>• An interview with the Director, Debt Management Department shows that the department is active in performing its core functions, however the effectiveness of the department is constrained due to shortage of personnel;</li> <li>• A physical inspection of the Department was conducted and the IVA observed that the department is operational</li> </ul>	<p>Satisfactory</p>	



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>• Pictures of the official premises were obtained;</li> <li>• An interview with a random operational staff was conducted and his view states that the department is operational and active.</li> </ul> <p>The evidence obtained are quarterly SDDR, Schedule of Contractors' Arrears, Schedule of Pension and Gratuity Arrears and Amortisation schedules of Internal Loans.</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 quarters in 2019</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 2019?	<p>a) The state did not produce quarterly domestic debt reports approved by the DMO on average of <u>two</u> months after the end of the quarter.</p> <p>We obtained evidence that the State produced quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> <li>• Q1 submitted on 20/05/2019 7.6 weeks (55 days),</li> <li>• Q2 submitted on 05/08/2019 5.4 weeks (39 days),</li> <li>• Q3 submitted on 08/06/2020 35.5 weeks (250 days) and</li> <li>• Q4 submitted on 08/06/2020 26.6 weeks (188 days).</li> </ul> <p>Average <math>\frac{7.6+5.4+35.5+26.6}{4} = 19</math> weeks</p> <p>The SDDRs were not submitted within an average of two months (133 days).</p> <p>During the review, the IVA observed discrepancies between the Internal Loans figures in the various quarterly SDDR when compared to the Loans Amortisation schedules presented by the State as supporting documents.</p>	Unsatisfactory	The State should submit timely Debt reports.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The DMO DLI 7.2 assessment states that the Q3 & Q4 were received by June 2020; Q4 2019 data not accepted due to Template modification by State.		
2	<p><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 including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p>	<p>We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Kastina State Debt Domestic Report and both showed a difference in amount of ₦5,336,526,366. The DMO's Report on the State Domestic and External Debt Report (SDEDR) showed ₦52,243,588,053 when compared with the Kastina State Debt Domestic Report that showed ₦46,907,061,686.84. The report was supported with the DMO's templates and guidelines.</p> <p>We reviewed the DMO report and the DMO report confirmed the <u>accuracy</u> and <u>completeness</u> of the State Domestic Debt Report.</p> <p>A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data.</p>	n/a	State should submit accurate quarterly state domestic report
<b>DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears</b>				
<b>DLR 8.0</b>	<p><b>Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.</b> <b>AND</b> <b>Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and</b></p>	The state did not submit to the IVA the annual state arrears recording, verification, and clearance report (SARVCR).	<b>Not Achieved</b>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p><b>is consistent with the state's arrears clearance framework.</b></p> <p><b>-Basic target:</b> At least a 5% decline or maintain stock below N5 billion</p> <p><b>-Stretch target:</b> More than 20% decline</p>			
1	Has the State established an Arrears Clearance Framework (ACF)?	The State has not established an Arrears Clearance Framework (ACF).	Unsatisfactory	The State should establish an Arrears Clearance Framework (ACF)
2	Does the ACF contain: 1) The planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	The State has not established an Arrears Clearance Framework (ACF).	Unsatisfactory	The ACF should contain: 1) Planned actions to settle arrears 2) An explicit prioritization of expenditure arrears to be settled
3	Has the ACF been published on a State official website?	The State has not established an Arrears Clearance Framework (ACF).	Unsatisfactory	The State should ensure the ACF is published on her Official website
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The State has not established an Arrears Clearance Framework (ACF).	Unsatisfactory	The State should ensure that the clearance of domestic expenditure arrears is consistent with the ACF
5.	Has the State established an Internal Domestic Arrears Database?	The State has not established an Internal Domestic Arrears Database.	Unsatisfactory	a) The state should ensure they establish an

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
				internal domestic arrears database. b) The Internal Domestic Arrears Database should include aggregate and individual amounts of contractors' arrears; aggregate amount of pension and gratuity arrears; aggregate amount of salary arrears and other staff claims
6	Has the State published online elements of the internal domestic arrears database for the FY <b>2018</b> and FY <b>2019</b> reported on a State official website, which constitutes the online publicly accessible arrears database?	The State has not published online the required elements of Internal Domestic Arrears Database as at end of 2018 and 2019.	Unsatisfactory	The State should ensure they publish online, elements of the Internal domestic arrears database.
7. New	Does the online publication include?  1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding	The State has not published online the required elements of the internal domestic arrears database for FY 2019.	Unsatisfactory	a) The State should ensure they publish online lists of contractors with recognised arrears exceeding ₦20 million. b) The state should ensure contractors are able to verify that their claims

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	N20million and information for contractors to be able to verify that their claims are being accurately reported in the database.			are accurately reported
New	<p>Has the State met the following:</p> <p>(ii) Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.</p> <p><b>-Basic target:</b> At least a 5% year-on-year decline or maintain stock or arrears below N5billion.</p> <p><b>-Stretch target:</b> More than 20% year-on-year decline.</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 year, compared to the previous year, expressed in percentage terms.</i></p>	<p>The State has not established an Internal Domestic Arrears Database.</p> <p><b>Source:</b> State internal domestic expenditure arrears database.</p>	Unsatisfactory	The State should ensure they meet a Basic Target of reduction by at least 5% to meet the Basic Target or maintain a domestic debt stock below ₦5 billion.
<b>DLI 9: Improved Debt Sustainability</b>				
<b>DLR 9.0</b>	<p><b>Average monthly debt service deduction is &lt; 40% of gross FAAC allocation for FY [2019]</b></p> <p><b>AND</b></p> <p><b>Total debt stock at end Dec [2019] as a share of total revenue for FY [2019] meets target:</b></p>		<p><b>Achieved</b></p> <p>Stretch target met</p>	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																						
<p><b>-Basic target: &lt; [140%]</b> <b>-Stretch target: &lt; [115%]</b></p>																									
<p>Has the State met:</p> <p>(i) 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 2019) to the gross FAAC allocation for the same calendar year?</p> <p><b>Less than :&lt; [40%]</b></p>	<p>The IVA computed the percentage of total monthly service deductions/Gross FAAC Allocation for this year APA.</p> <p>Total Service Deduction    ₦4,909,830,738 x 100 Gross FAAC                        ₦68,427,964,734</p> <p>= 7.2%</p> <p><b>Source:</b> FMOF (FAAC)</p>	Satisfactory																							
<p>Has the State met:</p> <p>(ii) the ratio of total debt stock at end-of-year (31<sup>st</sup> December 2019) 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 2019)?</p> <p><b>-Basic target:&lt; [140%]</b> <b>-Stretch target: &lt; [115%]</b></p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p><b>Total Public Debt</b></p> <table border="1" data-bbox="730 760 1325 1000"> <thead> <tr> <th></th> <th>Financial Statements</th> <th>DMO figures (Adj)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>₦46,907,061,686</td> <td>₦52,243,588,053</td> </tr> <tr> <td>Total External Debts</td> <td>₦21,943,812,061</td> <td>₦24,202,907,600</td> </tr> <tr> <td><b>Total Public Debts</b></td> <td><b>₦68,850,873,747</b></td> <td><b>₦76,446,495,653</b></td> </tr> </tbody> </table> <p><b>Total annual revenue</b></p> <table border="1" data-bbox="730 1084 1293 1289"> <tbody> <tr> <td>2019 Adjusted IGR (see DLI 4.2)</td> <td>₦10,869,505,373.30</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>₦68,279,742,091.85</td> </tr> <tr> <td>Grants</td> <td>₦3,930,307,983.05</td> </tr> <tr> <td>Other Revenues</td> <td>₦3,165,190,643.45</td> </tr> <tr> <td><b>Total Revenue**</b></td> <td><b>₦86,244,746,091.65</b></td> </tr> </tbody> </table> <p>a. The State's domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2019 was as at the end of Q4 2019</p>		Financial Statements	DMO figures (Adj)	Total Domestic Debts	₦46,907,061,686	₦52,243,588,053	Total External Debts	₦21,943,812,061	₦24,202,907,600	<b>Total Public Debts</b>	<b>₦68,850,873,747</b>	<b>₦76,446,495,653</b>	2019 Adjusted IGR (see DLI 4.2)	₦10,869,505,373.30	Gross FAAC Allocation	₦68,279,742,091.85	Grants	₦3,930,307,983.05	Other Revenues	₦3,165,190,643.45	<b>Total Revenue**</b>	<b>₦86,244,746,091.65</b>	Satisfactory stretch target met	
	Financial Statements	DMO figures (Adj)																							
Total Domestic Debts	₦46,907,061,686	₦52,243,588,053																							
Total External Debts	₦21,943,812,061	₦24,202,907,600																							
<b>Total Public Debts</b>	<b>₦68,850,873,747</b>	<b>₦76,446,495,653</b>																							
2019 Adjusted IGR (see DLI 4.2)	₦10,869,505,373.30																								
Gross FAAC Allocation	₦68,279,742,091.85																								
Grants	₦3,930,307,983.05																								
Other Revenues	₦3,165,190,643.45																								
<b>Total Revenue**</b>	<b>₦86,244,746,091.65</b>																								

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>We have computed the total debts stock / Revenue percentage for the 2019 year, as follows:</p> $\frac{\text{₦}76,446,495,653^*}{\text{₦}86,244,746,092} \times 100$ $= \underline{89\%}$ <p><b>Sources:</b> For Total Revenue 2019 Audited Financial Statement, Page 154. For Total Public Debt from DMO* as at December 31,2019</p> <p>*Table 3 below holds a breakdown of the Total Debt.  **Table 3(ii) holds the breakdown of Revenue</p> <p>b. The debt stock stated in the Federal DMO State Domestic and External Debt Report is not the same with the debt stock stated in the audited financial statement.</p> <p>c. The debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) is ₦76,446,495,653 and debt stock stated in the audited financial statements is ₦68,850,873,747 resulting in a difference of ₦7,595,621,906</p> <p>d. The difference has been communicated to the State for explanation,</p> <p>e. The difference has been calculated in value as ₦7,595,621,906 (₦76,446,495,653 - ₦68,850,873,747) and in percentage terms as 11% (₦7,595,621,906 / ₦68,850,873,747) *100 and percentage terms, and</p> <p>f. The SDEDR was amended and resubmitted to the IVA along with explanations for any changes.</p>		

**TABLE 3: DLI 9 31 DECEMBER 2019 STATE DEBT STOCK TABLE FOR KASTINA STATE**

KATSINA STATE	AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,081,217,713
BAIL OUT (SALARIES) (SOURCE CBN)	10,021,007,906
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	8,145,865,892
STATE BONDS	-
COMMERCIAL BANK LOANS	-
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOANS (CBN FACILITIES)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	1,833,333,333
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	10,347,375,328
PENSION AND GRATUITY ARREARS	814,787,881
SALARY ARREARS AND OTHER CLAIMS	-
OTHER DEBTS	-
<b>TOTAL DOMESTIC DEBT (TDD)</b>	<b>52,243,588,053</b>
<b>TOTAL EXTERNAL DEBT (TED)</b>	<b>24,202,907,600</b>
<b>TOTAL PUBLIC DEBT (TED+TDD)</b>	<b>76,446,495,653</b>



**TABLE 3ii: DLI 9 31 DECEMBER 2019 REVENUE TABLE FOR KATSINA STATE**

	NGN
Item	2019
<b>1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)</b>	<b>68,279,742,091.85</b>
<b>1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)</b>	<b>53,144,067,364.01</b>
1.1.1 Gross statutory allocation	53,144,067,364.01
1.1.2 Derivation	0.00
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	0.00
<b>1.2 VAT</b>	<b>15,135,674,727.84</b>
<b>2. Internally Generated Revenues (IGR) – Adjusted</b>	<b>10,869,505,373.30</b>
<b>3. Grants (internal and external)</b>	<b>3,930,307,983.05</b>
<b>4A. Other revenues (4.1 + 4.2 + 4.3)</b>	<b>3,165,190,643.45</b>
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	20,836,626.22
4.3 Miscellaneous	
Transfer from MDA's	3,144,354,017.23
<b>Total Revenues and Grants Calculations</b>	
<b>A) Total Revenues and Grants is (1+2+3+4A)</b>	<b>86,244,746,091.65</b>

## 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>The State on the DLI 5 stated that in contrast to the data used by the IVA team and scored Katsina State 69% on the DLI 5, the current/genuine records of Civil Servants and Pensioners captured through the Biometric Data and as well linked with their Bank Verification Number during the period of their visit are analysed below:</p> <p>Total Number of staff with Biometric = 20,142            Total Number of pensioners with Biometric = 4,544            Total Number of Staff and Pension on the Payroll = 28,901            The coverage therefore resulted to as = <math>\frac{24,686}{28,901} * 100 = 85.42\%</math></p>	<p>The IVA team discovered some incompleteness on the pensioner's payroll data base provided by the State during the IVA visit which had been highlighted above in the findings section. The excel sheet put together and sent to the IVA after the field visit cannot be accepted as a payroll system. The State is encouraged to please be better prepared to provide evidence to prove its achievement of results.</p>

## Appendix A

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

#### **YOUR STATE HAS BEEN ASSESSED AS HAVING MET THE ELIGIBILITY CRITERIA FOR THE 2019 PERFORMANCE YEAR.**

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

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

#### **Eligibility Criteria 2019 Part I - The online publication of Approved Budgets for 2020 by 31<sup>st</sup> January 2020**

Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
<a href="https://www.katsinastate.gov.ng/finance">https://www.katsinastate.gov.ng/finance</a> / <a href="https://www.katsinastate.gov.ng/">https://www.katsinastate.gov.ng/</a>	A search was done on the Katsina State website	The 2020 Budget was published on the State Official website, a copy was downloaded.	A request was made on 09/01/2020 to the focal persons to provide evidence of the approval of the 2020 budget or Governor's assent.	<b>EC met</b>  There was no further response from the focal persons however, a further search was done, and evidence of Governor's assent was seen published.

Tests/checks performed	Results	Areas for improvement
Is the approved budget for 2020 available on any of the State Government Websites?	Yes	None
Was the approved budget published online before 31 January 2020?	Yes	None
Is the published budget clear and legible?	Yes	None
Can the budget be downloaded?	Yes	None
Do we have evidence of assent by the Governor?	Yes	None

**Eligibility Criteria 2019 Part 2 - The online publication of Audited Financial Statements for FY2018 by 30<sup>th</sup> September 2019**

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 search was done on the Katsina State Website and the Audited Financial Statements were downloaded.	The Audited Financial Statements were easily accessed and downloaded.	N/A	EC met

Tests/checks performed	Results	Areas for improvement
<b>Were the Financial Statements (FS) for 2018 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)</b>	Yes	None
<b>Were the Financial Statement for 2018 available published online before 30<sup>th</sup> September 2019?</b>	Yes	None
<b>Are the published financial statements clear and legible?</b>	Yes	None
<b>Can the Financial Statements be downloaded?</b>	Yes	None
<b>Do we have evidence of audit by the State Auditor-General?</b>	Yes	None
<b>Are the financial statements complete, including primary statements and disclosure notes?</b>	No	A Statement of comparison of budget and actual balances should be included in the audited financial statements.
<b>Are there any indications that balances within the financial statements are not credible</b>	n/a	Please see the 2018 APA Report

**Appendix 2 - UNRESOLVED ISSUES REPORTS**

**ISSUE REPORT 1  
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT**

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

<b>State:</b>	KATSINA STATE
<b>DLI affected:</b>	DLI 1.1
<b>Prepared by:</b>	Kelechi Ebirim
<b>Date:</b>	17th September, 2020.

**APA Issue:**

Discrepancy in the date of publication for the 2019 Quarterly Budget Implementation Reports submissions by the IT Manager.

**Description of finding/issue:**

There was a discrepancy noticed in the date of publication for the 2019 Quarterly Budget Implementation Report submissions by the IT Manager which stated 12<sup>th</sup> of February 2020 for all four quarters in the First and second email sent to the IVA team, while in the third email sent it had a different date of 15<sup>th</sup> of May 2019 for the First Quarter, 31<sup>st</sup> of June 2019 for the Second Quarter, 22<sup>nd</sup> of October 2019 for the Third Quarter and 15th of January 2020 for the Fourth Quarter.

**Effects**

This discrepancy creates a doubt on the actual date of publication.

**Clarification or information requested from the state**

A clarification for this discrepancy and substantial evidence to back up the State's claim should be attached to its response.

**State to insert response below**

.....  
Submitted by Yusufu R. Agyo,  
Team Leader

**ISSUE REPORT 2  
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT**

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

<b>State:</b>	KATSINA STATE
<b>DLI affected:</b>	DLI 1.2
<b>Prepared by:</b>	KELECHI EBIRIM
<b>Date:</b>	17.09.2020.

**APA Issue:**

Discrepancy between the copy of 2019 Approved Budget presented to the IVA team and the copy published on the State's official website.

**Description of finding/issue:**

The IVA team noticed that the copy of the 2019 Approved Budget presented to the IVA team was different from the copy published on the State's official website.

**Effects**

This discrepancy creates a doubt on the 2019 Approved Budget.

**Clarification or information requested from the state**

A clarification for this discrepancy and substantial evidence to back up the State's claim should be attached to its response. And as well state the appropriate copy to be used.

**State to insert response below**

.....  
Submitted by  
Yusufu R. Agyo,  
Team Leader

**ISSUE REPORT 3  
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT**

<b>State:</b>	KATSINA
<b>DLI affected:</b>	DLI 2.2
<b>Prepared by:</b>	MESEKO JUSTIN BANKOLE
<b>Date:</b>	17 <sup>th</sup> September, 2020

**1. APA Issue:**

Discrepancies in the dates of publication in the State's submissions of the Katsina State 2019 Citizens Budget.

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

The IVA team discovered there is a discrepancy between the dates of publication of the Katsina State 2019 Citizen's budget that was provided by the State's IT consultant from the back end. The first date of publication stated 04/04/2019 while the second date of publication stated 08/05/2020.

**3. Effects**

It creates a doubt on the authenticity of the dates of publication provided.

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

The State should provide reason(s) for this discrepancy.

**5. State to insert response below**

.....  
Submitted by Agyo Yusufu  
Team Leader

**ISSUE REPORT 4  
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT**

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

<b>State:</b>	KATSINA
<b>DLI affected:</b>	DLI 4.2
<b>Prepared by:</b>	KELECHI EBIRIM
<b>Date:</b>	16.09.2020

**APA Issue:**

Discrepancy between the Total IGR balances for the year 2019 stated in the IGR Bank Statement and that stated in the IGR Outturn Report.

**Description of finding/issue:**

The Total IGR balances stated in the IGR Outturn Report is ₦ 8,518,136,919.00 while the Total IGR inflow balance stated in the IGR Bank Statement is ₦ 7,223,757,557.89 resulting to a difference of ₦ 1,294,379,361.11.

**Effects**

This difference creates a doubt on the credibility of the IGR figure.

**Clarification or information requested from the state**

The State should reconcile the discrepancies between the figures and substantiate this with relevant documents.

**State to insert response below**

Submitted by Yusuf Agyo  
IVA Team Leader



**ISSUE REPORT 5  
FOR THE SFTAS ANNUAL PERFORMANCE ASSESSMENT**

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

<b>State:</b>	KATSINA
<b>DLI affected:</b>	DLI 4.2
<b>Prepared by:</b>	KELECHI EBIRIM
<b>Date:</b>	17.09.2020

**APA Issue:**

No breakdown of Receivables for 2019 Audited Financial Statement.

**Description of finding/issue:**

The 2019 Audited Financial Statement does not provide a detailed breakdown of the receivables figure of ₦ 7,090,163,310.09.

**Effects**

This creates a doubt on the credibility of the Receivables figure.

**Clarification or information requested from the state**

The State should provide a schedule of the receivables figure of ₦ 7,090,163,310.09 and state the amount of accrued IGR (if any).

**State to insert response below**

.....  
Submitted by Yusuf Agyo  
IVA Team Leader

**ISSUE REPORT 6  
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT**

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

<b>State:</b>	KATSINA
<b>DLI affected:</b>	DLI 4.2
<b>Prepared by:</b>	KELECHI EBIRIM
<b>Date:</b>	17.09.2020

**APA Issue:**

New source of revenue included in the IGR Outturn Report for 2019.

**Description of finding/issue:**

From the review of the IGR Outturn Report for 2018 and 2019, it was observed that a new source of revenue was included in the IGR Outturn Report for 2019 called SUBEB.

**Effects**

This creates a discrepancy between the IGR Outturn Report for 2018 and with that of 2019.

**Clarification or information requested from the state**

The State should confirm if this newly introduced revenue source was covered within the Revenue Law and code.

**State to insert response below**

.....  
Submitted by Yusuf Agyo  
IVA Team Leader

**ISSUE REPORT 7  
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT**

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

<b>State:</b>	KATSINA
<b>DLI affected:</b>	DLI 4.2
<b>Prepared by:</b>	KELECHI EBIRIM
<b>Date:</b>	16.09.2020

**1. APA Issue:**

Computation error in the IGR Outturn Report for 2018.

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

The Total IGR balance stated in the IGR Outturn Report is ₦ 6,961,870,330.00 but the re-computed figure is ₦ 6,960,747,080.00 resulting to a difference of ₦ 1,123,250.00.

**3. Effects**

This difference creates a doubt on the credibility of the IGR figure.

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

The State should reconcile the discrepancies between the figures and substantiate this with relevant documents.

**5. State to insert response below**

.....  
Submitted by Yusuf Agyo  
IVA Team Leader

**ISSUE REPORT 8  
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT**

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

<b>State:</b>	KATSINA STATE
<b>DLI affected:</b>	DLI 4.2
<b>Prepared by:</b>	KELECHI EBIRIM
<b>Date:</b>	15.09.2020

**APA Issue:**

Discrepancy between the Total IGR balances for the year 2019 stated in the IGR Outturn Report and Audited Financial Statements

**Description of finding/issue:**

The Total IGR balances stated in the IGR Outturn Report is ₦ 8,518,136,919.00 and while the Audited Financial Statements is ₦ 10,869,505,373.30 resulting to a difference of ₦ 2,351,368,454.30.

**Effects**

This difference creates a doubt on the credibility of the IGR figure.

**Clarification or information requested from the state**

The State should reconcile the discrepancies between the figures and substantiate this with relevant documents. And as well state the appropriate figure to be used.

**State to insert response below**

.....  
Submitted by Yusuf Agyo  
IVA Team Leader

**ISSUE REPORT 9  
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT**

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

<b>State:</b>	KATSINA
<b>DLI affected:</b>	DLI 2.2
<b>Prepared by:</b>	MESEKO JUSTIN BANKOLE
<b>Date:</b>	15 <sup>th</sup> September, 2020

**APA Issue: KATSINA STATE 2019 CITIZENS BUDGET PUBLISHED ONLINE NOT ASSESSABLE**

**Description of finding/issue:**

The Katsina State 2019 Citizen’s Budget that was published on the State’s official website was downloaded however; this document was not readable.

**Effects**

It creates a doubt on the genuineness of the document.

**Clarification or information requested from the state**

The State should provide reason why the document is not readable

**State to insert response below**

.....  
Submitted by Agyo Yusufu

**ISSUE REPORT 10  
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT**

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

<b>State:</b>	KATSINA STATE
<b>DLI affected:</b>	DLI 9
<b>Prepared by:</b>	EBI NABENA
<b>Date:</b>	30 <sup>TH</sup> SEPT. 2020

1. **APA Issue** Discrepancy between the Debt Stock stated in the Federal Debt Management Office (FDMO) State Domestic and External Debt Report (SDEDR) and the Debt Stock stated in the State’s Audited Financial Statements (AFS).

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

During the IVA review, it was discovered that there is a difference between the FDMO SDEDR debt stock figures when compared with the State’s AFS debt stock figures. The total debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) is ₦76,446,495,653 while the debt stock stated in the State’s Audited Financial Statements is ₦68,850,873,747 resulting in a difference of ₦7,595,621,906

<b>Public Debt Stock</b>	<b>Federal DMO (₦)</b>	<b>State’s AFS (₦)</b>
Total Domestic Debt (TDD)	52,243,588,053	46,907,061,686
Total External Debt (TED)	<u>24,202,907,600</u>	<u>21,943,812,061</u>
Total Public Debt (TED+TDD)	<u>76,446,495,653</u>	<u>68,850,873,747</u>

**3. Effects**

This discrepancy creates a doubt on the credibility of the Debt Stock Figure.

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

We will require a clarification for this difference and if this difference has been rectified. The State is expected to reconcile the discrepancies in the figures with Federal Debt Management Office

**5. State to insert response below**

.....  
Submitted by Yusufu R. Agyo, Team Leader, Team 4