



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

**2018 Annual Performance Assessment (APA) Report**

**KOGI 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

This Report details the outcome of the Annual Performance Assessment (APA) conducted on Kogi 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 Kogi State and shows areas where the State was able to achieve results. In total, Kogi State achieved **Seven (7)** out of 14 DLRs.

We further identified several areas where the State should be able to 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: The Quarterly Budget Implementation Reports show each MDA (as in the Appropriation Law), and for each of the core economic classification of expenditure (Personnel, Overheads, Capital and Other Expenditures). The report should state the actual expenditures for the quarter attributed to each MDA and each economic classification of expenditure as well as cumulative expenditures for year to date. Finally, the report state balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four expenditure classifications and Other Expenditures.
2. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual requirement for this result.
3. DLR 4.2: The State achieves an IGR nominal growth rate of 20% every year at the minimum.
4. DLR 5.2: BVN data is linked to the Payroll of all civil servants and pensioners to minimize payroll fraud. Note a minimum required coverage of 75% of the payroll for 2019 and 90% for the years thereafter.
5. DLR 6.2: Publish contract award information above the set threshold on a monthly basis, and in the OCDS format on the state website.
6. DLR 8: A Domestic Arrears Clearance Framework should be established, and an internal domestic arrears database created with relevant balances placed online through a publicly accessible portal.
7. DLR 9: Improve its ratio of debt stock to revenue to be within the limits set for the achievement of this result.

**Table 1: Assessment Results**

Key:	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		The reports did not contain the necessary disclosures/detail.
	DLR 1.2: FY18 deviation for total budget expenditure is < 30%		The deviation was 45%.
<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		Citizens' inputs from formal public consultations were published online.
<b>DLI 3</b>	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum		The TSA covered 76% of State finances.

Disbursement Linked Indicators	Disbursement Linked Results (2018)	Results	Remarks
Improved cash management and reduced revenue leakages through implementation of State TSA.	of 50 percent of State government finances implementation of State 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.		Law is adequate and online
	DLR 4.2: 2018-2017 annual nominal IGR growth rate meets target: Basic target: 20%-39%, Stretch target: 40% or more		Annual nominal IGR growth rate was 9.%.
<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		The biometric covered 100% of the staff on the payroll.
	DLR 5.2: Link BVN data to at least 60 percent of current civil servants on the payroll and payroll fraud addressed		BVN data of Civil Servants was not linked to their payroll in 2018.
<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 board; and 3) Cover all MDAs receiving funds from the state budget.		The law conforms with the UNCITRAL Model Law.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2018 on a monthly basis in OCDS format on the state website		Contracts above the threshold were 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		Kogi State met the three requirements.
	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		DMO confirmed Q4 report was submitted within timeline.
<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.		No arrears database or ACF in 2018.
<b>DLI 9</b> Improved debt sustainability	DLR 9: 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%		Average monthly debt service deduction was 11.6%, and Debt Stock as a percentage of Revenue was 154%.

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 States' 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 the Disbursement Linked Indicators (DLIs).

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and JK Consulting Co. Limited was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of States 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 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 December 2, 2019 and December 6, 2019 with a team of five persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/additional information.

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

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

### 3. Assessment Results

#### 3.1 Findings

Table 2: Findings

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	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 the last two quarters of 2018 as per the verification protocol.</p> <p>All quarterly Implementation reports were hosted online on the State official website and the last two quarterly reports met the threshold average time of 42 days after the end of the quarter.</p> <p>3rd Quarter Performance Report was hosted on 11/11/2018 = 42 days 4th Quarter Performance Report was hosted on 7/2/2019 = 38 days</p> <p>The average time taken for the last two quarters = <math>80/2 = 40</math> days (5.7 weeks)</p> <p><a href="https://mfbp.kg.gov.ng/page/2/">https://mfbp.kg.gov.ng/page/2/</a></p>	Satisfactory	
2	Does the reports include, at a minimum, the approved budget	The approved budget appropriations for the year against each organisational unit (MDAs) were NOT	Unsatisfactory	The State should ensure that all budget

	<b>Disbursement Linked Indicators (DLIs) and Tests</b>	<b>Findings</b>	<b>Conclusions</b>	<b>Recommendations</b>
	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)?	included for each of the core economic classification of expenditures.  This was discussed at the Exit meeting. The States' Accountant-General confirmed that this was not done in 2018 but has been factored in their 2019 disclosure.		appropriation for the year against each organisational unit (MDAs) are included for each of the core economic classification of expenditures.
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 actual expenditures (not by core economic classification) for the quarter attributed to each MDA as well as the cumulative expenditures for the year were NOT included in the report	Unsatisfactory	The State should ensure that 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.
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 report examined did not state balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications	Unsatisfactory	The State should 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

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
				of the other three (3) 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 annual deviation expenditure is calculated as follows: Total budgeted expenditure = ₦151,677,854,494 Total actual expenditure = <u>₦84,055,473,899</u> Deviation = ₦67,622,380,595 Deviation expressed in positive percentage: = $\frac{₦67,622,380,59}{₦151,677,854,494} \times 100$ = 45%  The deviation of 45% computed is higher than 30% Source: from the 2018 Financial Statements and approved budget	Unsatisfactory	The State should prepare realistic budgets and ensure annual budget deviations are within the limits set for this result.  Note that the benchmark for 2019, 2020 and 2021 are 25%, 20% and 15% respectively.
	<b>DLI 2: Increased openness and citizens' engagement in the budget process</b>			
<b>DLR 2</b>	<b>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2019] budget</b>		<b>Achieved</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?	Town Hall consultation was held on 30th October 2018 with participation of local government authorities and state based CSOs. This was confirmed through the Photographs, minutes of the consultation, attendance register, and	Satisfactory	



	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		contacts of the attendees provided. Some of the attendees were contacted on phone for confirmation. <a href="https://mfbp.kg.gov.ng/page/2/">https://mfbp.kg.gov.ng/page/2/</a>		
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?	<p>The minutes of the public consultations was jointly prepared with CSO representatives (shown by their signature to the minutes) and was signposted on the home page of the website <a href="https://mfbp.kg.gov.ng/">https://mfbp.kg.gov.ng/</a>. <a href="http://budget.kg.gov.ng/minutes-of-stakeholders-townhall-meeting-for-30thoctober2018/">http://budget.kg.gov.ng/minutes-of-stakeholders-townhall-meeting-for-30thoctober2018/</a>.</p> <p>We noted that the minutes posted online were not signed by the CSO representatives. On further enquiry we confirmed that the minutes were signed in hard copy by the CSO representatives, however an unsigned replica was posted online. We are content that the result was achieved, as the signature of the hard copy minutes by the CSOs showed their participation in the deliberations and their agreement that the minutes aware an accurate reflection of what was discussed. We confirmed there was no loss of transparency as the minutes posted online were exactly the same as what was signed.</p>	Satisfactory	
	<b>DLI 3: Improved Cash Management and Reduced Revenue Leakages through Implementation of State TSA</b>			
<b>DLR 3</b>	<b>Improved cash management and reduced revenue leakages through implementation of State TSA</b>		<b>Achieved</b>	
1	Has the state established a functional state-level TSA?	The State maintained a TSA with Zenith Bank Account Number 1014558813 for FAAC allocations. A lead IGR account was also maintained with Access Bank	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		<p>account number 0710013288. Revenue collections were done through several bank accounts, but balances swept into IGR lead account twice monthly. Funds were also transferred from the IGR lead account to the TSA.</p> <p>Expenditures were also made directly from the TSA.</p> <p>The above conclusion was arrived at during our field visit to The State Ministry of Finance, State Accountant General's office, Kogi Internal Revenue Service and review of bank statements.</p>		
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>A document titled "Guidelines for the operation of Treasury Single Account and Cash Management Strategy" which 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 as stated in Page 11.</p> <p>This was approved by the State Governor in February 2017. The guideline on page 9 requires cash to be swept daily to the TSA from other accounts, but this was not complied with in operation.</p> <p>This was confirmed from bank statements.</p>	Satisfactory	
3	<p>Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?</p>	<p>REMITA platform was used as TSA portal/ dashboard by the State. Zenith Bank also provided a platform for an electronic dashboard. Balances and movement in the TSA and other accounts are monitored on the portal/dashboard.</p> <p>Only the State's Accountant General and Director of Treasury had access to the portal/dashboard.</p>	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		The above was demonstrated and confirmed during our visit to the Office of Director, Treasury. All the banks were displaced on the dashboard including Zenith and Access.		
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	The State has one consolidated revenue treasury account for the State revenues in Access Bank. All other banks that collect revenues for the MDAs were linked to the lead bank for IGR and their collections are swept into the lead IGR Bank twice monthly. All revenues were being collected by KGIRS through the banks.  The above was confirmed during field visit to KGIRS, banks and MDAs.	Satisfactory	
5	Does the TSA cover a minimum of 50% of the State Government's finances?	Total TSA inflow is ₦50,899,687,395.43 Total cash inflow for 2018 is ₦78,942,615,275.53 Ratio = $\frac{₦50,899,687,395.43}{₦78,942,615,275.53} \times 100$ = 64%  64% of state government finances are covered by the TSA.  Total TSA outflow is 50,879,629,492.40 and Total Expenditure is ₦ 57,750,829,219.25 Ratio = $\frac{₦ 50,879,629,492.40}{₦ 57,750,829,219,25} \times 100$ = 88% The average is computed as: $\frac{64\% + 88\%}{2} = 76\%$  Sources: The total TSA inflow and outflow were obtained from the TSA bank account statement while	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		total cash inflow and outflow were obtained from published Financial Statements.		
	<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>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.	A law established the "Kogi State Board of Internal Revenue Administration, Harmonization of Taxes, Duties, levies, Rates, Fees and Charges due to the State and Revenue Appeal Tribunal Law, 2017". The law covered the revenue sources due to the State.  A second law established "Kogi State Local Government Harmonized Rates and Levies Law 2014". This covers the revenue sources due to the Local Government's.  Both Laws are on the official website of KGIRS <a href="https://irs.kg.gov.ng/revenue-items/">https://irs.kg.gov.ng/revenue-items/</a> .	Satisfactory	
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?	The State has a Revenue Administration Law stating that Kogi Internal Revenue Service (KGIRS) is responsible for the collection of all revenue and accounting for the funds.  This was stated in Section 12 of the Law (Establishing the Kogi State Board of Internal Revenue	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		Administration, Harmonization of Taxes, Duties, levies, Rates, Fees and Charges due to the State and Revenue Appeal Tribunal Law, 2017).  The Tax Law was obtained from KGIRS official website <a href="http://irs.kg.gov.ng/tax-legislation/">http://irs.kg.gov.ng/tax-legislation/</a> .		
3	Is Collection of revenues made into accounts nominated by the SBIR for the SBIR to be deemed responsible for collection?	The IGR account was nominated by the KGIRS. The nomination letter by KGIRS to the Accountant General was provided. The letter by the Chairman of KGIRS to the various banks on the use of use of E-transact gateway for payment was also provided.	Satisfactory	
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?  It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	The revenue codes are contained in the State Revenue Administration Laws and the Laws were passed by the State House of Assembly and assented to by the Governor in January 2017. The signed Revenue Administration Laws were provided by the State.	Satisfactory	
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	The information was hosted on KGIRS Official website <a href="http://irs.kg.gov.ng/tax-legislation/">http://irs.kg.gov.ng/tax-legislation/</a> and available to the public. The harmonised LGA Law is also online.	Satisfactory	
<b>DLR 4.2</b>	<b>Annual nominal IGR growth rate meets target</b>		<b>Not Achieved</b>	
1	Has the 2018-2017 annual nominal IGR growth rate met the basic or stretch targets?  Basic Target: 20%-39% Stretch Target: 40% or more	Year 2018: Tax Revenue: ₦6,942,732,056.05 Non-Tax Revenue ₦4,520,456,753.70 Less Sales of Unserviceable Vehicle (₦3,708,690.87)	Unsatisfactory	The State should put in place measures and mechanisms to enhance revenue generation.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		<p><u>₦11,459,480,118.88</u></p> <p>Year 2017: Tax Revenue: ₦7,620,174,578.61 Non-Tax Revenue ₦2,873,007,158.24</p> <p>Less Sales of Unserviceable Vehicle (<del>₦6,615,450.00</del>) <u>₦10,486,566,286.85</u></p> <p>Difference: ₦972,913,832.03</p> <p><math>\frac{₦972,913,832.03}{₦10,486,566,286.85} \times 100 = 9\%</math></p> <p>The IGR growth rate was 9.0%</p> <p>Aids, Grants and reimbursement were classified separately in the State Financial Statements and not included in Tax and Non-Tax Revenue.</p> <p>Sources: 2017 and 2018 Audited Financial Statements.</p>		
	<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 pensioners] completed and linked to payroll, and identified ghost workers taken off the payroll</b>		<b>Achieved</b>	

	<b>Disbursement Linked Indicators (DLIs) and Tests</b>	<b>Findings</b>	<b>Conclusions</b>	<b>Recommendations</b>
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>The State used biometric to reduce payroll fraud for the year under review. The biometric was done on 100% of the Civil Servants (14,492) on the payroll.</p> <p>To confirm the above:</p> <ul style="list-style-type: none"> <li>• The State Biometric register from the office of the Accountant General was used.</li> <li>• The Pay roll for the State was also gotten from the State Office of the Accountant General and compared with the Biometric register.</li> <li>• The list of Staff removed from the State payroll was compared against the payroll to ensure the removal has been effected.</li> <li>• A field visit to the State Ministry of Finance to validate the reports provided and a walk through of the system and sampling of some staff on the biometric system.</li> </ul>	Satisfactory	
2	Has the State linked the biometrics data to the state payroll to identify ghost workers?	<p>14,492 Civil Servants captured by biometrics were linked to the State payroll. 223 ghost workers were removed from the State payroll after the biometric exercise.</p> <p>As stated above, a sample of the Staff on the State payroll was compared with the Biometric register to validate this report. Also, a sample of the ghost workers were compared with the payroll to validate their claim of removal.</p>	Satisfactory	
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	The State confirmed no ghost workers were identified in 2018 as all staff on payroll had been captured through biometrics since 2016.	Satisfactory	
<b>DLR 5.2</b>	<b>Link BVN data to at least [60] percent of current civil servants</b>		<b>Not Achieved</b>	

	<b>Disbursement Linked Indicators (DLIs) and Tests</b>	<b>Findings</b>	<b>Conclusions</b>	<b>Recommendations</b>
	<b>[and pensioners] on the payroll and payroll fraud addressed</b>			
1	Has the State linked the Bank Verification Number data to 60% of its current Civil Servants on the state payroll?	The BVN of current Civil Servants were not linked to their payroll in 2018. The report of the State’s consultant provided (retained in our assessment file) on Biometric also confirmed the above. A field visit to the State Payroll office and a walk through of the system validated the findings. Samples and screenshots were taken from the payroll officer. The payroll officer also confirmed during the verification that the BVN was not linked.	Unsatisfactory	The state should link the BVN data to all current civil servants and pensioners on the payroll
2	Has the State taken steps to identify payroll fraud?	As at December 2018, the BVN was not linked to the payroll.	Unsatisfactory	The State should ensure that the BVN is linked with the payroll.
	<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>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?	A copy of the Kogi State Public Procurement Law, 2014- S.61 was obtained and retained in the assessment file.	Satisfactory	



	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations						
	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 Procurement Law was signed and assented to by the Executive Governor on 20th November 2014.								
2	<p>Does the law conform with the UNCITRAL Model Law which should provide for:</p> <p>1) eProcurement;</p> <p>2) establishment of an independent procurement board; and</p> <p>3) cover all MDAs receiving funds from the State budget.</p>	<p>We obtained and reviewed the Procurement Law and observed the following:</p> <p>The law substantially complies with DLR 6 requirements and the UNCITRAL Law model.</p> <ol style="list-style-type: none"> <li>1. E-Procurement. <b>(Compliant)</b>; S.2(e); The Council shall approve changes in the procurement process to adapt to improvements in modern technology. Compliant; S.5(c) The Bureau shall introduce, develop, update and maintain related database and technology.</li> <li>2. Establishment of the Public Procurement Agency and the Board is contained in Sections 1 and 2 of the Law. <b>(Compliant)</b>. The results of our assessment of the legislation for independence are on the table below:</li> </ol> <table border="1" data-bbox="703 1185 1333 1339"> <thead> <tr> <th>Required provisions*</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>The Functions and Powers of the Agency.</td> <td>Compliant; see section 5 and 6</td> </tr> <tr> <td>The composition of the Board</td> <td>Compliant; See section 1(2).</td> </tr> </tbody> </table>	Required provisions*	Result	The Functions and Powers of the Agency.	Compliant; see section 5 and 6	The composition of the Board	Compliant; See section 1(2).	Satisfactory	We however recommend that the Bureau and Council should issue e-procurement regulations/guidelines.
Required provisions*	Result									
The Functions and Powers of the Agency.	Compliant; see section 5 and 6									
The composition of the Board	Compliant; See section 1(2).									

	Disbursement Linked Indicators (DLIs) and Tests	Findings		Conclusions	Recommendations
		Membership of the board/council includes representatives from professional bodies/associations	Compliant; see section 1(2)(g).		
		The grounds for removal of the chief Executive of the Agency.	Compliant; See S. 7(4)		
		Regarding the decisions of the Agency; any other review after the board's decision should be by judicial review.	Compliant; see section 53(8)		
		<p>*Provided by the World Bank</p> <p>3. Covers all MDAs receiving funds from the State budget. <b>(Compliant)</b>; S.15(1); see also S. 58(1). Applies to all procurement of goods, works and services carried out by the State, Local Governments and all procuring entities.</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?	<p>An independent Procurement Regulatory function was instituted, which is being performed through the State Council on Public Procurement and Kogi State Bureau of Public Procurement set up for the statutory functions.</p> <p>We visited the Kogi State Bureau of Public Procurement (BPP) Office and interviewed the Chief Executive of BPP and the management staff.</p> <p>The agency was physically inspected, and some operational staff interviewed.</p> <p>The list of staff in the State Bureau of Public Procurement, their designation and copies of some procurements done in 2018 were obtained.</p>		Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
<b>DLR 6.2</b>	<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>		<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 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>All contracts, as defined in the State procurement law in line with the Open Contracting Data Standards (OCDS) were not published on the State official website.</p> <p>During our field visit to the State BPP, the Managing Director confirmed that the State was yet to publish their contract award reports online.</p> <p>The State official website and the Kogi State BPP website were also searched for the report.</p>	Unsatisfactory	The state should ensure contract award information for all contracts awarded during the fiscal year that are above the set threshold are published on the State Official website.
	<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>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	<p>The Kogi State Debt Issuance Law 2013 and Kogi State Fiscal Responsibility Law 2012 were provided.</p> <p>The State was assessed based on the Kogi State Debt Issuance Law 2013 and Kogi State Fiscal Responsibility Law 2012 which were both signed before 2018.</p>	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
	provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?			
2	Does the legislation provide for the creation of a State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council)?	Yes, reference to Kogi State Debt Securities (Issuance) Law 2013 Part II provides for the Establishment, Functions and the Board of the office.	Satisfactory	
3	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.	All the laws were reviewed, and we observed the following:  Part II (s4) (a) of the Kogi State Debt Securities Issuance Law, 2013 provides as a function of the State Debt Management Office, the authority to issue Debt Securities. The definition of Debt Securities in the law does not extend to cover all forms of loan. Part III (s6) also provides authority for the Government to through the Office issue Debt Securities. It does not explicitly cover all forms of debt or loan. Part III (s7) provides for the State to raise and borrow any sums of money required to finance the capital budget of government. It does not state the DMO in this more general provision  Part IX of the Fiscal Responsibility Law 2010 provides for the maintenance of a reliable database on all debts issued, loans etc by the Debt Management	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		<p>Department, and thereby addresses the responsibility for the recording/reporting state debt.</p> <p>Part IX of the Fiscal Responsibility Law 2010 also includes provisions for various functions of the Fiscal Responsibility Commission in relation to fiscal rules/limits.</p> <p>Further review by the World Bank found that PART II Medium term expenditure framework which establishes the fiscal deficit rules/limits and PART VIII Debt and Indebtedness establishes the debt rules/limits. We found that the FRL in s.11(3) sets out the content of a quantitative Medium-Term Expenditure Framework (MTEF) for the State, including a Consolidated Debt Statement. s.12 further specifies expenditure and fiscal deficit limits. Indeed, s.12 stipulates a quantitative limit. Based on these provisions in the FRL, Criteria #3 is satisfied.</p> <p>The scope of the definition of “Debt Securities” under the DSIL is comprehensive. s. 2 DSIL defines Debt Securities thus: “Debt Securities” means registered bonds, bearer bonds, promissory notes, syndicated notes, certificates, debentures and such other securities, debt instruments, financial instruments or other obligations authorised to be issued and secured by the State pursuant to this Law and payable as provided in this Law. There is reference to the Debt Management Office in s.7 DSIL states “The State pursuant to section 6 above, may with the approval of the Executive Council, and subject to the</p>		

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		<p>provisions of this Law:...” and s.6 stipulates the role of the DMO in contracting state debts.</p> <p>The combined effect of ss.4(a), 6 &amp; 7 of the DSIL is that Kogi State has a law that clearly provides responsibilities for contracting state debt i.e. criteria #1</p> <p>From the WB review of the Debt Securities Issuance Law, 2013 (DSIL) and Fiscal Responsibility Law, 2012 (FRL), Kogi State met the requirements of the 3 criteria.</p>		
4	Has the Unit (or Committee, Agency, Board, Bureau, Commission, Council) created by law been operational during the APA year.	<p>Kogi State Debt Management Office was established on the 27th June 2013. We obtained photographic evidence of the office with the officers on seat which we retained in our file.</p> <p>We also noted from the submissions from the Federal DMO that the State has a unit interacting with the DMO and filing state level submissions on Debt Management.</p> <p>The Office is headed by Mr Matthew Abuka who is the Director/ Deputy Head. He is responsible for debt recording and reporting state debt quarterly. Whenever the State Government incurred debt, all related documents are forwarded to Debt Management Office. It is usually accompanied with amortization schedule.</p> <p>In the record there is:</p> <ul style="list-style-type: none"> <li>• Loan amount</li> <li>• Annual interest rate</li> <li>• Loan period in years</li> </ul>		

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		<ul style="list-style-type: none"> <li>Number of repayment period (in Months/per year)</li> <li>Start date of loan</li> </ul> <p>The State DMO affirmed that its report to the Federal Debt Management Office (DMO) is on a quarterly basis using all the debt information available, recorded on a template provided by DMO office Abuja.</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>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>The SDDR for the various quarter was provided by the State as the reports were not hosted on any of the State official website</p> <ol style="list-style-type: none"> <li>The SDDR for the 1<sup>st</sup> quarter was submitted on 14<sup>th</sup> May 2018</li> <li>The SDDR for the 2<sup>nd</sup> quarter was submitted on 20<sup>th</sup> August 2018.</li> <li>The SDDR for the 3<sup>rd</sup> quarter was submitted on 26<sup>th</sup> October 2018</li> <li>The SDDR for the 4<sup>th</sup> quarter was signed on 6<sup>th</sup> March 2019 and submitted on 7<sup>th</sup> March 2019. However, DMO's report stated that the 4<sup>th</sup> quarter SDDR was submitted within timeline. We sought reconfirmation with the DMO, and their updated</li> </ol>	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		submission restated that the Kogi Q4 submission was within the due dates.		
2	<p><b>Note: Have you reviewed for accuracy and completeness from the DMO:</b></p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p>	<p>We reviewed the DMO report. Appendix 1 states that the Kogi report for Q4 was adequate for data accuracy.</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	
	<b>DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears</b>			
<b>DLR 8</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>	The State should prepare and implement an Arrears Clearance Framework (ACF) as well as an internal domestic arrears database, in line with the detailed guidance provided for this DLR
1	Has the State established an Arrears Clearance Framework (ACF)?	No submission by the State	Unsatisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	No submission by the State	Unsatisfactory	



	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
3	Has the ACF been published on a state official website?	No submission by the State	Unsatisfactory	
4	Has the State established an Internal Domestic Arrears Database?	No submission by the State	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?	The State did not have an Internal Domestic Arrears Database as indicated in their self-assessment.	Unsatisfactory	
	<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] AND Total debt stock at end Dec [2018] as a share of total revenue for FY [2018] meets target: -Basic target: &lt; [150%] -Stretch target: &lt; [125%]</b>		<b>Not Achieved</b>	
	Has the State met:  (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)?  <b>-Basic target:&lt; [150%] -Stretch target: &lt; [125%]</b>	Dom Debt (FMoF, CBN, WB) = ₦100,950,880,031 External Debt = ₦9,696,336,616.52 Total Debt = ₦110,647,216,647.52*  External Debt is \$31,584,158.36 @₦307 = ₦9,696,336,616.52  *Table 3 below holds a breakdown of the Total Debt as compiled from available DMO, FMoF and CBN data.	Unsatisfactory	The State should improve its debt to revenue ratio towards achieving debt sustainability.

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
		<p>Total Revenue for 2018 = <del>₦</del>85,925,918,666.56  Less:  Paris Club = <del>₦</del>13,840,370,823.85  Sales of Assets = <u>₦</u>3,708,690.87  Adjusted Revenue = <u><del>₦</del>72,081,839,151.84</u></p> <p>Ratio= <math>\frac{\text{₦}110,647,216,647.52}{\text{₦}72,081,839,151.84} \times 100</math></p> <p>Total Debt to total Revenue = 153.5%  The Domestic debt and External debt were obtained from the SDEDR provided by the State which also corresponded with the report from Federal DMO.</p> <p>However, the debt figure in FS was <del>₦</del>109,280,169,580.26, compared to the figure from DMO data of <del>₦</del>110,647,216,647.52 gave rise to a difference of <del>₦</del>1,367,047,067.26 which is not material. However, the reasons for the difference should be examined to ensure there is no greater impact down the line.</p> <p>The adjusted revenue is Total revenue from the Financial Statement of the State, less Paris club refund and sales of unserviceable assets.</p>		
	<p>Has the State met:  (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) to the gross FAAC</p>	<p>Total monthly debt service deductions from FAAC is <del>₦</del>7,013,154,654.</p> <p>Total Gross FAAC is <del>₦</del>60,461,483,239</p> <p>Sources: From FS and FAAC publication</p> <p>Ratio = <math>\frac{\text{₦}7,013,154,654}{\text{₦}60,461,483,239} \times 100 = 11.6\%</math></p>	Satisfactory	

	Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusions	Recommendations
	allocation for the same calendar year. <b>Less than :&lt; [40%]</b>	Total monthly debt service deductions to Gross FAAC =11.6%		

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

<b>NAIRA</b>	<b>KOGI</b>
1. BUDGET SUPPORT LOAN (SOURCE FMOF)	16,869,000,000
2. BAIL OUT (SALARIES) (SOURCE CBN)	19,089,173,129
3. RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	783,034,813
4. EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,535,426,815
5. STATE BONDS	7,371,453,993
6. COMMERCIAL BANK LOANS	3,430,593,724
7. CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	445,943,896
8. BAIL-OUT (INFRASTRUCTURE)	-
9. MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF) (SOURCE CBN)	1,868,707,545
10. JUDGEMENT DEBTS	-
11. GOVT - GOVT DEBTS	-
12. CONTRACTORS' ARREARS	13,000,000,000
13. PENSION AND GRATUITY ARREARS	12,216,707,890
14. SALARY ARREARS AND OTHER CLAIMS	16,340,838,226
15. OTHER DEBTS	-
<b>TOTAL DOMESTIC DEBT (TDD)</b>	<b>100,950,880,031</b>
<b>TOTAL EXTERNAL DEBT (TED)</b>	<b>9,696,336,617</b>
<b>TOTAL PUBLIC DEBT (TED+TDD)</b>	<b>110,647,216,647</b>

**Table Notes****FOR STATES WITH Q4 2018 FIGURES**

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

## 4. Response from the State

### **KOGI STATE RESPONSE TO THE IVA REPORT ON THE 2018 APA.**

<b>Disbursement Linked Indicators</b>	<b>Disbursement Linked Result</b>	<b>Independent Verification Agent Annual Performance Assessment Rating</b>	<b>State Response</b>	<b>IVA RESPONSE</b>
<b>DLI 1</b> Improved financial reporting and budget reliability	DLR 1.2: FY18 deviation for total budget expenditure is < 30%	The deviation was 45%.	The State is working towards preparing more realistic budget to reduce deviation for total budget expenditure.	Noted.
<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	Consultations were held and minutes published on-line but not signed by CSO representatives.	We acknowledge not publishing the signed minutes. However, it should be noted that the file copy of the minutes which was sighted by the IVA Team was signed and is the same in content as the unsigned published minutes. We wish to request that this DLR be reconsidered on the strength of the fact that we met all the conditions precedent to the achievement of the DLI, but the upload of the signed minutes. The signed copy has since been uploaded.	Noted, the DLR has been assessed as <b>Achieved</b> .
<b>DLI 4</b> Strengthened Internally Generated Revenue (IGR) collection	DLR 4.2: 2018-2017 annual nominal IGR growth rate meets target: Basic target: 20%-39%, Stretch target: 40% or more	Annual nominal IGR growth rate was 9.28%.	Strategies have been put in place to enhance growth in revenue generation and collection.  The performance of 2019 collection is relatively higher to that of the previous year.	Noted.
<b>DLI 5</b> Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.2: Link BVN data to at least 60 percent of current civil servants on the payroll and payroll fraud addressed	BVN data of Civil Servants was not linked to their payroll in 2018.	As at 2017, the State Payroll was linked to the Bank Verification Number (BVN). An exercise the state paid NIBSS to do	An email was sent to the state and the state responded on 21 <sup>st</sup> February 2020 as follows " <i>DLI 5 - As at 2018, the State Payroll was not linked to the Bank Verification Number (BVN). However, the State Payroll (100%) was linked to the BVN in 2019</i> ".  IVA maintains earlier position as Not Achieved.

<p><b>DLI 6</b> Improved procurement practices for increased transparency and value for money</p>	<p>DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. The said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement board; and 3) Cover all MDAs receiving funds from the state budget.</p>	<p>The Procurement law should be amended for the following:</p> <ul style="list-style-type: none"> <li>• Make the Chairman of the Council a non-executive Chairman</li> <li>• The Council Chair and members should have their appointment and removal subject to a two-third majority vote of the State House of Assembly.</li> </ul>	<p>Efforts are on by the State Ministry of Justice to update the Law to include the recommended clause. We wish to request that this DLR be reconsidered on the strength of the fact that we met the DLI with the existence of the Law.</p>	<p>Noted. Following further review and a revised definition from the World Bank, the DLR has been assessed as Achieved.</p>
	<p>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</p>	<p>Contracts above the threshold were not published online.</p>	<p>The Open Contracting Data Standards (OCDS) platform has been launched on the Bureau's website and efforts are in place to deploy procurement officers to the MDAs as desk officers to provide contract information to the Bureau for publication.</p>	<p>Noted.</p>
<p><b>DLI 7</b> Strengthened public debt management and fiscal responsibility framework</p>	<p>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</p>	<p>The State Legislation were not adequate: - The Debt Management Law and the Fiscal Responsibility Law should be updated to include provisions which establish the responsibilities for contracting state debt.</p>	<p>Process of amending the Law is on-going by the State in collaboration with the DMO, Abuja We wish to request once again that this DLR be reconsidered on the strength of the fact that we met the DLI with the existence of the laws. Law is subject to review and amendment.</p>	<p>Noted. Following further review and expert input the DLR has been assessed as Achieved. See the Findings section for details</p>

<p><b>DLI 8</b> Improved clearance/ reduction of stock of domestic expenditure arrears</p>	<p>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.</p>	<p>No arrears database or ACF in 2018.</p>	<p>The State has prepared and implemented an ACF as well an internal domestic arrears database as at December 31 2019. These are publicly accessible online in line with the DLR.</p>	<p>Noted.</p>
<p><b>DLI 9</b> Improved debt sustainability</p>	<p>DLR 9: Average monthly debt service deduction is &lt; 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: &lt; 150%, -Stretch target: &lt; 125%</p>	<p>Average monthly debt service deduction was 11.6%, and Debt Stock as a percentage of Revenue was 153.5%.</p>	<p>The State is of the view that the IVA should have used the State’s Total Revenue (N85,925, 918,666.56) as contained in the 2018 Financial Statement as follows; Total debt stock - N110,647,216,647.52 Total Revenue - N85, 925, 918,666.56</p> <p>Ratio of total debt stock to revenue <math>\frac{110,647,216,647.52}{85,925,918,666.56} \times 100 = 128.8\%</math></p> <p>Meanwhile, the State is making efforts to curtail new domestic loans to sustainable level. We wish to request that this DLR be reconsidered on the strength of the fact that we met the DLI.</p>	<p>Noted. Revenue figures do not include reimbursements and income from the sale of assets. Total state revenue includes statutory transfers, IGR and grants. The mark was retained as “Not Achieved”.</p>

# Appendix A

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

### Kogi 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 1 - 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://kogistate.gov.ng/document/2019-approved-budget.pdf">https://kogistate.gov.ng/document/2019-approved-budget.pdf</a> <a href="https://kogistate.gov.ng/document/bill-to-make-provision.pdf">https://kogistate.gov.ng/document/bill-to-make-provision.pdf</a>	A search was done on Kogi 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 persons responded on 22/03/19 providing a link( <a href="https://kogistate.gov.ng/document/bill-to-make-provision.pdf">https://kogistate.gov.ng/document/bill-to-make-provision.pdf</a> ) to the state 2019 appropriation bill. 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	None



Was the approved budget published online before 28 February 2019?	Yes	None
Is the published budget clear and legible?	Yes	None
Can the budget be downloaded?	Yes	None
Do we have evidence of assent by the Governor?	Yes	State should publish the approved Budget with Governor's Assent

**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.kogistate.gov.ng/#">https://www.kogistate.gov.ng/#</a> <a href="https://kogistate.gov.ng/document/financial-statement-2017.pdf">https://kogistate.gov.ng/document/financial-statement-2017.pdf</a>	The state website was searched, and 2017 Financial Statement was downloaded, and a screen shot of the website page was done.	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?	Partly	The State should improve legibility of the published Financial Statements as some sections were blurry
Can the Financial Statements be downloaded?	Yes	
Do we have evidence of audit by the State Auditor-General?	Yes	
Are the financial statements complete, including primary statements and disclosure notes?	Partly	<ul style="list-style-type: none"> <li>No notes provided.</li> <li>2016 comparative balances for the Cash Flow statement not provided</li> </ul>
Are there any indications that balances within the financial statements are not credible	Partly	Public debt charges were not mappable to known codes within the National Chart of Accounts (NCOA) and there was no statement of budget performance that captures CAPEX.

