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

2020 Annual Performance Assessment (APA) Report

NASARAWA STATE

By:

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

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1. Executive Summary

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

Table 1 (below) reflects the outcome of the 2020 APA for Nasarawa State and shows areas where the State was able to achieve results. Nasarawa State achieved 12 **(**Twelve**)** DLRs out of 15 (Fifteen) DLRs applicable to the 2020 APA.

Table 1: Assessment Results

Key:	Achieved		Prev. Achieved

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%		Budget deviation was 33%
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2021 budget.		
	DLR 2.2: Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms		
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 70 percent of state government finances.		
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		
	DLR 4.2: 2020-2019 annual nominal IGR growth rate meets target: i.e., 2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection		
DLI 5: Biometric registration and Bank Verification Number	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
(BVN) used to reduce payroll fraud	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency, and 3) Cover all MDAs receiving funds from the state budget		
	DLR 6.2: (Basic Target) Framework contract for e-Procurement signed by 31 December 2020 AND Publication of contract award information above the threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available. DLR. 6.2 (Stretch Target) Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs **AND** *For those MDAs without e-procurement:* Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available		• There was no complete publication of contract award information online. • The State did not implement e-procurement in at least 3 MDAs (including Education, Health and Public Works) in the year under assessment.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		
	DLR 7.2: Quarterly state debt reports for Q2, Q3, and Q4 accepted by the DMO on average two months or less after the end of the quarter in 2020 **AND** Annual State debt sustainability analysis published by end of December 2020		The Annual State Debt Sustainability Analysis had inconsistencies and/or illogical statements (e.g. negative debt stock)

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place. Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly accessible database, with verification process in place **AND** at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock of arrears below 5 billion.	Stretch target	
DLI 9: Improved debt sustainability	Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target: Basic target: < 150%, Stretch target: < 125%.	Stretch target	

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

1. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
2. DLR 6.2: Implement e-procurement in all MDAs and publish all contract award information in the OCDS format on the online portal for the MDAs
3. DLR 7.2: The Annual State Debt Sustainability Analysis includes a detailed description of the State's debt portfolio and borrowing options and does not present negative values of debt stock and illogical analysis.

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

2. Introduction

2.1 Overview

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

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

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

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and PricewaterhouseCoopers (PwC) was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2020. To ensure a high-quality assessment, the IVA the had some input/support from the Debt Management Office (DMO), to review the legislation and returns in place in this State.

2.2 Scope

This Annual Performance Assessment (APA) Report covers the State's performance in 2020 against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines, and verification protocol. Each State was earlier assessed against the Eligibility Criteria set in the protocol, to determine the state's eligibility for grants under the 2020 APA.
The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitised on the requirements of the program and the protocol for 2020. The assessment results are binary (achieved or not achieved), as that is how the Program for Results was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between 31/01/2022 and 04/02/2022 with a team of six (6) persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	**Financial Year [2020] quarterly budget implementation reports published with Q2, Q3, and Q4 reports published on average within [4 weeks] of quarter end to enable timely budget management**		**Achieved**	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	The Quarterly budget implementation reports were posted online on Q1 - https://nasarawastate.gov.ng/pdf_documents/FIRST%20QUARTER%202020%20BUDGET%20IMPLEMENTATION%20PERFORMANCE.pdf Q2 – https://nasarawastate.gov.ng/pdf_documents/Second%20Quarter%202020%20Report.pdf Q3 – https://nasarawastate.gov.ng/wp-content/uploads/2020/10/Q3-2020-Budget-Implementation-Report.pdf	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Q4 - https://nasarawastate.gov.ng/DLI%201.1/NASARAWA%20STATE%20FOURTH%20QUARTER%202020%20BUDGET%20IMPLEMENTATION%20PERFORMANCE.pdf The dates of publication are as follows: ● Q2 – (31/7/2020)- 31 days ● Q3 – (29/10/2020) - 29 days ● Q4 – (29/1/2021) - 29 days Average days (weeks) for the online publication was computed based on the last 3 quarters, as below: $\frac{31+29+29}{3}$ Average = 29 days (4 weeks and 1 day) We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2020, obtained and retained evidence of the timestamp of the publications.		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and	From our review of the Quarterly Budget Implementation reports downloaded from the State's website (see weblinks above) we observed the following: a) The approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures were included in the Budget Implementation Report	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	b) The actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date were included in each quarter Budget Implementation Reports (hard copies) provided by the state. c) The balances against each of the revenue and expenditure appropriations were included across the three Quarter (Q2, Q3 & Q4) Budget Implementation Report d) The State has an amended budget and supplementary budget e) All three quarter (Q2, Q3 & Q4) Budget Implementation Reports showed both the approved original budget and (Q3 & Q4) amended budgets. The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations		
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 the year to date?	Upon review of the State's Budget Performance reports, it stated 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	

<table>
<tr><th colspan="2">Disbursement Linked Indicators (DLIs) and Tests</th><th>Findings</th><th>Conclusion</th><th>Recommendations</th></tr>
<tr><td>4</td><td>Does the report state balance 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?</td><td>Upon review of the State’s Budget Performance reports, the consolidated budget implementation report provided the balances against each of the revenue and expenditure appropriations on a consolidated basis across the four (4) expenditure classifications and ‘Other Expenditures’ (Although, the state considered and treated the “Other Expenditure'' as part of the overhead cost. See Pg. 8 to Pg. 20 of Consolidated Budget Implementation) which included debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.</td><td>Satisfactory</td><td></td></tr>
<tr><td>DLR 1.2</td><td>FY [2020] deviation from total amended budget expenditure is less than 15%</td><td></td><td>Not Achieved</td><td></td></tr>
<tr><td>1</td><td>Has the State computed the difference between the Amended approved total budgeted expenditure for the fiscal/calendar year and the actual total expenditure in the fiscal/calendar year, divided by the Amended approved total budgeted expenditure and expressed in positive percentage terms?</td><td>The State computed the budget deviation for 2020 to be 8.86 %

The IVA computed the budget deviation for this APA year. See the computation below:

<table><tr><td></td><td>Total Amended Budget</td><td>Actual</td></tr><tr><td>Capital (pg1)</td><td>26,465,632,374.17</td><td>33,835,331,096</td></tr><tr><td>Rec. Exp (pg1)</td><td>38,158,476,434.32</td><td>51,928,805,589</td></tr><tr><td>Total</td><td>64,624,108,808.49</td><td>85,764,136,685</td></tr></table></td><td>Unsatisfactory</td><td>The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.</td></tr>
</table>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Is the expenditure outturn deviation computed less than 15%	₦ 64,624,108,808.49 – ₦ 85,764,136,685 x100 ₦ 64,624,108,808.49 -33% = **33 %** The budget performance deviation is 33% The State had a supplementary budget of N20,203,376,300.35 during the year which led to a total actual expenditure of N85,764,136,685.00 leading to a budget deviation of N21,140,027,876.51. The budget deviation expressed in positive percentage terms is 33% which is above the 15% benchmark. **Source**: 2020 Audited Financial Statement Page 1 to Page 2, Approved Amended Budget Page 1 The total final budget for expenditures in the approved amended budget is N64,624,108,808.49 plus the supplementary budget of N20,203,376,300.35 to give a total of N84,827,485,108.48 while the total final budget for expenditure in the Audited Financial Statement is N91,752,624,244.00 hence the difference of N6,925,139,135.52. IVA raised an APA issue seeking clarification. The State responded that the difference is a result of the miscalculated supplementary budget amount captured in the Audited Financial Statement.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Page 1 of AFS for amended annual budget figures differs from the signed amended budget/appropriation The source of values used in the calculation is from the hard copy of the AFS which are available in the online AFS. IVA compared both Expenditure figures in Cash flow and Statement of Financial Performance. No variance was observed.		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	**Citizens' inputs from formal public consultations are published online, along with the proposed FY [2021] budget**		**Achieved**	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	The following documents were obtained and reviewed: minutes of the meeting, communique, a programme of the event, media coverage, and attendance register (name, organization, address/community/LGA, contact, email & signature) a) Some of the LGAs in attendance were: Dome, Toto/Akwanga Lafia, Nasarawa b) A few of the CSOs representatives in attendance, were Adamu Suliaman Mangwa – the source of hope, Market Women Association CBCSD, NGO, Barr Azara Ibrahim Abubarkar-VWPT Charles	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Yerima Adu - JUGSODI, Federation of Muslim Women Associations in Nigeria (FOMWAN), National Youth Council of Nigeria (NYCN), UPCR, etc c) The sources of information from which our conclusions were drawn are Communique, minutes, attendance, video. d) The date of the consultation was 2nd June 2020. The venue was the ministry for Local Government, Chieftaincy Affairs, and Community Development. e) 10 attendees were randomly selected and called to confirm their attendance at the public consultation. f) The budget was drafted on 27th October 2020, and g) The date of the consultation was 2nd June 2020, and the date of the draft budget was 27th October 2020. The consultation took place first. h) Publication of the proposed budget was done on 19th November 2020 which was before the deadline of 31 January 2021. i) The Weblink: https://nasarawastate.gov.ng/pdf_documents/2021%20Proposed%20Draft%20Budget.pdf		
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by	a) The two (2) CSO representatives that co-signed the minutes are: 1) Barr. Azara Ibrahim Abubakar VWPT and	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2021 to enable citizens to find the inputs easily?	2) Charles Yerima – JUGSOD1. A copy of the minutes has been retained on file. b) The Minute of the Meeting is titled "Town Hall meeting on Citizens' Budget participation Held on the 2nd June 2020 at the Conference Hall of Ministry for Local Government, Community Development chieftaincy Affairs, Lafia Nasarawa State. The Minute of Meeting was dated 2nd June 2020. c) Organisations that the signatories represent are Vulnerable Welfare Promotion Trust (VWPT) and JUGSOD1 d) The web link to the published Minute of Meeting: https://nasarawastate.gov.ng/pdf_documents/Minutes-of-Meeting(1).pdf IVA observed that the minutes were handwritten which is not what was expected. Due to illegibility of the handwriting, it is difficult to know which CSOs signed the minutes. This needs to be clarified. The State is therefore requested to clarify which CSOs signed the minutes while responding to this report. Also, the State should ensure a proper arrangement to document and publish the town hall proceedings going forward.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 2.2	**Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms**		**Achieved**	
1.	Did the state conduct dissemination events to explain amendments to the FY2020 State budget and was adequate evidence of the events published online and by the due date?	a) A review was done on all required documents, minutes of the meeting, physical pictures with a list of attendees including their names, organizations, and email addresses. b) The Amended Budget and the evidence of the dissemination events have been downloaded. c) The dissemination was done physically on 10th September 2020. d) Evidence of the dissemination event was published online on the 11th of September 2020 which is before the September 30, 2020 deadline. IVA obtained the following evidence: minutes of the meeting, attendance list, online pictures. Copies have been retained in the file. e) Evidence of the dissemination event was published in the same location along with the Amended FY20 budget. Both documents were published f) The date of publication of the evidence of the dissemination event was 11th September 2020. The IT backend time stamp was obtained as	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		evidence to confirm the date of online publication. g) The weblink to the online publication of the evidence of the dissemination is: https://nasarawastate.gov.ng/wp-content/uploads/2020/09/Minutes%20of%20Town%20Hall%20Meeting%20for%20the%20Feed%20Back%20on%20The%20Amended.pdf		
2	Has the State published online, on the State website(s) a *Citizens Budget based on the Amended Budget (2020)* not later than 30 September 2020?	a) The Citizens Budget based on the Amended Budget (2020) was published before the due date via: https://nasarawastate.gov.ng/pdf_documents/Nasarawa%20State%202020%20Revised%20Citizens%20%20budget.pdf accessed on 01/02/2022. b) A comparison of the Amended Budget 2020 with the Citizens Budget was done and there were no significant areas of discrepancies. c) The Citizen's budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template. No discrepancies existed among the following: i. Simple explanation of the annual amended budget/citizens budget page 13. ii. The sources of revenues page 5 iii. Sources of domestic and foreign grants, domestic loans, and other financing sources page 3	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		iii. Total expenditure by economic classifications page 8 iv. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. Page 6 v. Disclosure of Budget deficit (if any) and how it will be financed Page4 vi. Sectoral Allocation (by MDAs). Page 9 vii. Top Projects to be financed (at least 5). Page 10, 1. Construction of Mararaba – Udege road, 2. Construction of Lafia Airport, 3. Development of Lafia township roads, 4. Rural feeder road, 5. Compensation for lands Acquired by the government (Right of Ways') d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included in the Citizen Budget on the pages quoted. e) A different format was not used, and it has been compared with the suggested format, and no significant differences were identified.		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	a) The citizens' budget includes an explanation of the key changes between the original FY20 Budget and the Amended Budget. This information can be found on pages 1 & 2 of the citizen budget.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		b) The Citizens budget included data on reallocations and adjusted spending on page 6 of the citizen's budget. We confirmed that the amended FY20 state budget was summarised in a comprehensible manner to the Citizens in the Citizens budget.		
4	Does the State website have functional feedback and response online mechanisms?	a) The state has established functional feedback and response online mechanisms on its website. b) The type of feedback mechanism established on the state website is an online comment form. c) The state's feedback mechanism provides at a minimum: i. Acknowledgement of receipt of comments/feedbacks from citizens ii. State's responses to comments/feedbacks ("Your comment is awaiting moderation") iii. Display of the timeframe is about 15 minutes and the State's government contact detail is 08032620422. d) A walkthrough test guided by the state's personnel was carried out on the feedback mechanism. The test result revealed that the feedback mechanism is functional e) The State Ministry of Finance demonstrated how they have been responding to feedbacks by providing previous comments and the state responses. A screenshot was provided by the state ministry of finance on comments and	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		responses submitted online. Responses provided online were considered relevant and reliable. f) The state's feedback mechanism is functional. g) The weblink: https://nasarawastate.gov.ng/download/2020-approved-budget/		
DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	**Improved cash management and reduced revenue leakages through the implementation of State TSA**		**Achieved**	
1	Has the State established a functional State-level TSA?	[**Tests Nos. 2-5 below were concluded first and based on the findings, response to this test No. 1 was made]** a. The State has established a functional state-level TSA. b. The State operates multiple accounts, the account details are as follows: ● IGR Main Account: Account name: Nasarawa state IGR pool account Account number: 2033340223 Bank Name: First Bank of Nigeria Plc ● FAAC Account: (TSA)	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Account name: Nasarawa state consolidated revenue fund account, Account number: 1016506650 and 1017431698 Bank Name: Zenith Bank Plc ● VAT Account: Account name: Nasarawa State Government VAT account, Account number: 0817669766 Bank name: Access bank Plc The State responded as follows: "The Nasarawa State Government keyed into the Treasury Single Account policy as recommended by the World Bank for the effective management of state's cash assets by ensuring that all government payments and revenue collections are managed through a single bank account and a set of linked accounts, which promotes accountability and transparency in the management of public funds. We are pleased to say that the three (3) underlisted accounts operated by Nasarawa State Government are all linked together and can be viewed from a single electronic dashboard. 1. IGR Main Account: Account name: Nasarawa State IGR Pool Account		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Account number: 2033340223 Bank Name: First Bank of Nigeria Plc 2. FAAC Account: Account name: Nasarawa state consolidated revenue fund account, Account number: 1016506650 and 1017431698 Bank Name: Zenith Bank Plc 3. VAT Account: Account name: Nasarawa State Government VAT account, Account number: 0817669766 Bank name: Access bank Plc The FAAC Account is our TSA main account with balances of other account automatically swept off intermittently. However, in mid-2020 a garnishee order was obtained against the government that force the Government to rely on IGR POOL ACCOUNT to run the affairs on the State". IVA reviewed the States comments and notes that the State IGR Pool Account contains sweeping of revenue from the MDAs which was found to be satisfactory.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 can forecast cash commitments and requirements and provide reliable information on the availability of funds.	The State has a cash management strategy. a) The Document's name is "Nasarawa State Government Cash Management Strategy". b) It was produced in June 2020 and was signed by the Commissioner of Finance, State Accountant-General, and Executive Governor of Nasarawa State. c) The Clause Number and Page where it showed that it covered the processes are pages 22(5.2.1) and 24 (5.2.9). d) In terms of cash sweeping the strategy states monthly (page 24). There was evidence of implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds. The State provided their Cash Plan which showed the existence of cash commitments and requirements forecasts at intervals.	Satisfactory	
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 has a computer application where the State can view the cash balances in the bank account(s). a) The computer application name for Inflows is Central Billing and tax administration system (CBS), the producer of the application is Fourcore Technology Solution Ltd. For outflows, the computer application name is Remita, the producer is System Specs Ltd.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		b) It is in line with the approved cash management strategy on page 24 (5.2.12). c) CBS was deployed in 2019 and Remita was deployed in 2017		
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.	a) The following Revenue generating MDAs were visited: Ministry of Health, Ministry of Education, and Ministry of Works. The Director of Finance and Accounts (DFA) in these three MDAs were interviewed. All three DFAs confirmed that all revenues collected by the MDAs are done centrally through the Central Billing System (CBS) at the various commercial banks. The revenues are swept daily from the different collecting commercial Banks into the IGR pool account maintained at the First bank Plc. b) The TSA of the State is the FAAC Statutory allocation account with Zenith Bank Plc, Account numbers: 1016506650 and 1017431698. The main account is the 1016506650 while the sub account is the 1017431698 which was opened because of garnishee order on the main account. c) Not all government monies go through this account. Both the VAT collections and IGR collections in the IGR pool account are not swept into the consolidated revenue account as part of the TSA. d) All government monies do not sit in the other revenue collecting banks, they are swept into the IGR pool account. e) The TSA bank Statement from Zenith bank was obtained.	Satisfactory	The State should ensure the Garnishee Order is resolved and the FAAC Account is quickly restored for efficient use of the State.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		This was communicated to the State and the State responded as follows: "The FAAC Account is our TSA main account with balances of other account automatically swept off intermittently. However, in mid-2020 a garnishee order was obtained against the government that force the Government to rely on IGR POOL ACCOUNT to run the affairs on the State. See https://www.thisdaylive.com/index.php/2020/08/19/garnishee-order-forces-nasarawa-to-rely-on-igr/ Similarly, The Government took an Overdraft Facility with First Bank of Nigeria Plc using the Nasarawa State IGR Pool Account as a collateral with a clause that Nasarawa State Government confirm the continuous domiciliation of the IGR (Lead) Account with First Bank of Nigeria Plc. See attached as evidence of Loan Document titled First Bank Overdraft for your clarification. While we aggregate all revenues and income of government into a single source (the FAAC Account) before disbursing, it was because of the garnishee order and the Overdraft that few transactions in the Nasarawa State IGR Pool Account were not swept back into the FAAC Account". Given the above, IVA has taken a stand that the State's TSA has one consolidated revenue treasury account for state revenues (FAAC and IGR) , except,		

<table>
<tr><th colspan="2">Disbursement Linked Indicators (DLIs) and Tests</th><th>Findings</th><th>Conclusion</th><th>Recommendations</th></tr>
<tr><td></td><td></td><td>the Overdraft Facility with First Bank of Nigeria Plc which uses the Nasarawa State IGR Pool Account as a collatera. However, an aggregate of all revenues and income of government is pooled into a single source (the FAAC Account).

Evidence obtained are Bank overdraft facility with First Bank and a garnishee order maintained in file.</td><td></td><td></td></tr>
<tr><td>5</td><td>Does the TSA cover a minimum of 70% of the State Government’s finances?</td><td>The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2020.

See the computation below:

<table><tr><td></td><td>Total Inflows</td><td>Total Outflows</td></tr><tr><td>TSA Bank Statement</td><td>57,483,204,472.48</td><td>56,120,611,874.02</td></tr><tr><td>Government Finances*</td><td>63,671,004,802.00</td><td>85,764,136,685.00</td></tr><tr><td>Percentage</td><td>90%</td><td>65%</td></tr></table>
The average is percentage computation is:

$\frac{90\% + 65\%}{2}$

= 78%

The TSA covered 78% of the State’s finances.</td><td>Satisfactory</td><td></td></tr>
</table>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		*Sources: 2020 Audited Financial Statement (Cash Flow Statement) Pg.1 and the TSA Statements from (Zenith Bank) for (01/01/2020 - 31/12/2020 for 1016506650 and 01/07/2020 - 31/12/2020 for 1017431698). **Note:** State's Annual Outflow in 1.2 (Actual) is the same in the table above shown as Government Finances (Outflow)		
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	**State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published**		**Achieved**	
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	a) The full name of the extant Revenue Law for the State is "Nasarawa State Harmonization and Administration of Revenue Law 2020" and it was assented into law on 31st December 2020 by the Executive Governor b) The revenue code (i.e., Law) & rates are captured in the revenue law and not in separate	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Laws. They are contained in the harmonized revenue law. c) The state previously had more than one revenue law, but the laws have been harmonized as one law in 2020 known as: "Nasarawa State Harmonization and Administration of Revenue Law 2020". d) The revenue code was approved on 31st December 2020. The web link where the Revenue law was posted is: https://nasarawastate.gov.ng/pdf_documents/Nasarawa%20State%20Harmonization%20and%20Administration%20of%20Revenue%20Law%202020.pdf https://nasarawastate.gov.ng/portfolio/nasarawa-state-harmonization-and-administration-of-revenue-law-2020/ e) The code included all State IGR sources and the LGs IGR sources (falling under the State). f) The consolidated revenue code included the rate chargeable for each IGR source.		
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) or the State Internal Revenue Service (SIRS) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?	a) Sections 93 page 45 of the code stipulates the SBIR/SIRS as the sole agency responsible for State revenue collection and accounting. b) The result of the expert review is that the law Meets the DLI 4.1 Verification protocols because: 1. The rates for the various sources of revenue and applicable rates are there and approved	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		for both State revenues and Local Government revenues. 2. The SIRS is designated as the exclusive/sole authority to collect state revenues (tax and non-tax). Sec. 5,93,24(2) 3. There are provisions for the Chairman of the Service and the Chairman of Local Government to designate and account for revenues due to either the state or the appropriate Local Government. Sec.51 4. The law has been passed by the SHoA and signed into law by the Governor., and 5. It is available on the website IVA checked all references to sections of the law quoted by the expert c) Both conclusions are aligned d) There was no resolution as there was no difference in opinion since both conclusions aligned		
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	a) The collection of revenues was made into accounts nominated by the SBIR. – Documentary evidence in the form of letters to the Banks requesting for such an account to be opened has been obtained. b) The SBIR/SIRS has full oversight of accounts and is responsible for reporting and accounting for the revenues	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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.	a) The State Legislature approved the revenue code on 31st December 2020. b) It was assented to by the Governor on 31st December 2020.	Satisfactory	
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	a) IVA downloaded and filed a copy of the law, Code, and rates. b) IVA accessed and downloaded the document on 21/01/2022 by 11.13 am) and on 17/02/2022 by 9.54 am c) Insert the web link of the publication is https://www.nasarawastate.gov.ng/wp-content/uploads/2020/12/Nasarawa%20State%20Harmonization%20and%20Administration%20of%20Revenue%20Law%202020.pdf	Satisfactory	
DLR 4.2	**2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection**		**Achieved** (Stretch target met)	
1	Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets? **Basic Target:** N/A	a) The cash accounting basis was used for revenue reporting in 2019 and 2020 as shown in the Audited Financial Statements.	Satisfactory	

<table>
<tr><th colspan="2">Disbursement Linked Indicators (DLIs) and Tests</th><th>Findings</th><th>Conclusion</th><th>Recommendations</th></tr>
<tr><td></td><td>Stretch Target: equal to or higher than the 2019 nominal IGR collection</td><td>b) The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:
<table>
<tr><th>REPORTING TEMPLATE: OPTION B</th><th>NGN</th><th>NGN</th><th>% GROWTH</th></tr>
<tr><th>Item</th><th>2019</th><th>2020</th><th></th></tr>
<tr><td>1. Reported IGR in AFS (Before Adjustments)</td><td>14,584,820,601</td><td>16,079,129,273</td><td>10%</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>2. INVALID items to be deducted IF reported as part of IGR</td><td>3,017,656,180</td><td>4,204,656,680</td><td></td></tr>
<tr><td>Paris club refund</td><td></td><td></td><td></td></tr>
<tr><td>Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads) Repayments</td><td>3,017,656,180</td><td>4,204,656,680</td><td></td></tr>
</table></td><td></td><td></td></tr>
</table>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Sale of govt property, privatization proceeds: - / - **3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)** **Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)**: **11,567,164,421** / **11,874,472,593** / **3 %** *Please Unpack the Miscellaneous from the notes to the Account ₦11,874,472,593 - ₦11,567,164,421 ₦11,567,164,421 The annual nominal growth is 3% Source: 2020 Audited Financial Statement Pg. 1		
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud				
DLR 5.1	**Biometric capture of at least [90] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost**		**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	workers taken off the payroll			
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of the current civil servants and pensioners on the State payroll?	The State commenced biometrics in 2015 and later captured uncleared employees in December 2020 and completed the Biometric data capture of the civil servant and pensioners in 2020. a) It was outsourced to Seamfix Integrated in 2015 and Fourcore Technology in 2020. b) The total number of civil servants is 16,339. The IVA observed that the total no of civil servants stated in the 2019 APA Report is 14,185. This indicates an increase in civil servants of 2,154 in 2020. The State is to provide evidence to corroborate this increase and to address the risk that the 2019 figures were understated while responding to this report. The State responded thus: Nasarawa State Government recruited 2,250 Teachers in year 2020 See https://newsdiaryonline.com/nasarawa-govt-begins-payment-of-salaries-of-newly-employed-teachers-october/ c) The total number of pensioners is 3,269. d) The total number of staff on the State Nominal roll is 16,339 and Payroll 16,339. e) Biometrics data for both civil servants and pensioners has been done and the number of persons captured is 19,608. (16,339 + 3,269)	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		f) The documents obtained to derive our conclusion were sourced from the consultant (Fourcore Technology Solution) report page 2 and the nominal roll summary script. $\frac{19,608}{16,339 + 3,269} \times 100$ = 100% The State had captured 100% of the State's civil servants and pensioners on its payroll.		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers	a) The State commenced biometrics data capture in 2015 and finished the linkage of the biometric data to the payroll in 2020. b) Biometrics data have been linked to the payroll (i.e. staff 16,339 and pensioners 3,269) c) No ghost workers were detected during the biometric validations. d) No ghost workers were not detected thus no money was saved as the Wage bill did not change. e) There were in-year changes to the civil servant and pensioner payrolls (because of starters, leavers, deaths, etc.) and these have been captured by the biometric exercise. f) The procedure in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths is letters that are sent to the salary payroll unit	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		from the MDAs. Samples of such letters have been collected and filed as evidence. g) There were changes to the civil servant and pensioner payrolls during the fiscal year (because of starters, leavers, deaths, etc. h) These changes were captured during the biometric exercise. i) There is a procedure in place to identify ghost workers, which ensures that retired, dead, terminated civil servants are removed from the payroll, etc.		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a) No ghost workers were detected during the linkage. b) There is no record for the identification of ghost workers since the state does not have ghost workers. c) No identified ghost workers were removed from the payroll. d) No ghost workers were identified hence the total figure remained the same 16,339. e) No ghost workers were identified (The payroll figure in terms of number: for staff is 16,339 and that of the pensioners is 3,269. The total is 19,606) The information was obtained or sourced from the consultant (Fourcore Technology Solution) and a report and the nominal roll summary script.	Satisfactory	
5.2	**Link BVN data to at least [90] percent of current civil**		**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	servants and pensioners on the payroll and payroll fraud addressed			
1	Has the State linked the Bank Verification Number data to 90% of its current Civil Servants and pensioners on the State payroll?	The State commenced the linkage of BVN data of the civil servant and pensioners in 2015 and completed the exercise in 2020. a) It was outsourced to Seamfix Integrated Ltd in 2015 and Fourcore Technology Solution in 2020. b) The total number of civil servants is 16,339. We observed that the total no of civil servants stated in the 2019 APA Report is 14,185. This indicates an increase in civil servants of 2,154 in 2020. The State is to provide evidence to corroborate this increase and to address the risk that the 2019 figures were understated while responding to this report. Otherwise, this DLR is not achieved. The State responded thus: Nasarawa State Government recruited 2,250 Teachers in year 2020 See https://newsdiaryonline.com/nasarawa-govt-begins-payment-of-salaries-of-newly-employed-teachers-october/ c) The total number of pensioners is 3,269. d) The total number of staff on the State Nominal roll Is 16,339. e) The number of BVN data that has been linked to the payroll is 16,339.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		f) The information was obtained or sourced from the consultant (Fourcore Technology Solution) report page 2 and the nominal roll summary script. $\frac{19,608}{16,339 + 3,269} \times 100$ =100 % The State has linked 100 % of the State's civil servants and pensioners' BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	a) Staff with BVN data is 16,339 and none is without BVN data. b) No payroll frauds were identified, hence no record. c) No payroll frauds were identified. d) The payroll figure in terms of number is 16,339 as no frauds were identified. e) The payroll figure in terms of the number remains 16,339 as no frauds were identified. f) The source of this information is page 2 of the report from Fourcore Technology Solution.	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	**Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform**		**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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			
1	Does the State have a public procurement legal framework that must be approved by the State legislature to have a legal basis, either as a law or a resolution?	a) The state has a public procurement legal framework b) It has been approved by the State legislature as a law c) The date of passage is 31st December 2019 and assented to by the Governor on 21st May 2020 d) The Procurement Law has been passed e) The Procurement Law has been passed by the State Assembly and assented to by the Governor, and f) The date of approval of the law is 31st December 2019 by the state legislature and 21st May 2020.	Satisfactory	
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency, and 3) cover all MDAs receiving funds from the State budget.	The law conforms with the UNCITRAL Model a) IVA results of the review of the law, revealed that the Procurement Law met the three requirements as stated in Sections 2 (e), 5(d) and 5 (c) b) The result of the expert states that the Procurement Law met the three requirements, has been reviewed and all references to sections of the law by the expert have been checked. c) Both conclusions (Team conclusions and expert conclusions) are aligned	Satisfactory	

<table>
<tr><th colspan="2">Disbursement Linked Indicators (DLIs) and Tests</th><th>Findings</th><th>Conclusion</th><th>Recommendations</th></tr>
<tr><td></td><td></td><td>d) The conclusions are aligned, and the position of both parties is the same.

The Nasarawa State Public Procurement Law is structured in line with the UNCITRAL Model and meets the requirements as shown below:

1. E-Procurement - We noted the following during our review of the legislation.

● The Procurement Council is to approve changes in the procurement Process to adapt to improvements in modern technology. S. 2 (e)

● The Bureau is to establish a single internet portal that shall serve as a primary and definitive source of all information on government procurement. S.5 (d)

● The Bureau is to introduce, develop, update, and maintain related databases and technology. S. 5 (c)
The law, therefore, complies with the requirements for e-procurement.

2. Independence - The results of the IVA assessment of the legislation for independence are in the table below.

<table><tr><th>Required Provisions*</th><th>Result</th></tr><tr><td>The Functions and Powers of the Agency</td><td>Compliant; see sections 5 &8</td></tr></table></td><td></td><td></td></tr>
</table>

<table>
<tr><th colspan="2">Disbursement Linked Indicators (DLIs) and Tests</th><th>Findings</th><th>Conclusion</th><th>Recommendations</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><td>The composition of the board</td><td>Compliant; See Section 1(2)</td></tr>
<tr><td>Membership of the Board/Council includes representatives from professional bodies and associations.</td><td>Compliant; see sections 1(2)(g)</td></tr>
<tr><td>The grounds for removal of the Chief Executive of the agency.</td><td>Compliant; see section 7(4)</td></tr>
<tr><td>Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review</td><td>Compliant; See Section 53(8)</td></tr>
</table>
*Provided by the World Bank
3. Establishment of an independent procurement regulatory agency -
a) The law provides for the establishment of an independent procurement regulatory agency. Section 3.
b) The law covers all MDAs receiving funds from the State budget. Section 15(1)
However, the IVA conclusion is subject to World Bank decision.
</td><td></td><td></td></tr>
<tr><td>3</td><td>Has the State instituted an independent procurement regulatory function, which</td><td>a) The State has instituted an independent procurement regulatory function.</td><td>Satisfactory</td><td></td></tr>
</table>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?	b) It is being performed through the Nasarawa Bureau of Public Procurement. c) The agency is responsible for prescribing regulations and procedures for public procurements by the legal framework. d) We visited the Nasarawa State Bureau of Public Procurement (BPP) Office, interviewed the Representative of the Chief Executive of BPP and the management staff. The agency was physically inspected, and some operational staff was interviewed. Furthermore, the samples of 5 cases were selected at random, walkthrough tests were conducted, and their files were reviewed. e) 5 records of procurements/cases/transactions handled by the Agency were used in performing the walkthrough test to confirm the effective handling of the selected cases. A physical inspection of the Bureau, walkthrough test, and review of files were conducted by the IVA. IVA's observations from the above test confirmed the existence of a functional State instituted procurement regulatory function performed through the Nasarawa State Bureau of Public Procurement**.**		
DLR 6.2	**<u>Basic Target:</u> Framework contract for e-Procurement signed by 31 December 2020 AND Publish contract award information above a threshold set out in the State's procurement**		**Not Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	law/regulation every month in OCDS format on the state website or online portal if available. **<u>Stretch Target:</u> Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs** **AND** **For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.**			
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 (2020) that are above the threshold (as defined in the State	a) The IVA obtained a schedule of contracts awarded during the year under assessment above the threshold (as defined in the State Circular). After the review of the contracts published online, the IVA observed only 39 entries of which only 15 had contract award dates.	Unsatisfactory	The state should publish all contract award information online as required under the standards.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?	b) The data published is in line with the Open Contracting Data Standards (OCDS) c) The date of publication is 2020 d) The source of the publication is the Nasarawa State OCDS portal e) The minimum contract award information that was published is: (i) Project name, (ii) awarding institution, (iii) award date, (iv) name of contractor, and (v) the contract amount was published. f) All items in (e) above were published g) The weblinks where data was published are: http://www.nasocp.nasarawastate.gov.ng. https://nasocp.com/project-above-threshold/ OCDS of all Contracts in 2020: https://nasocp.com/2020-awarded-contracts-ocds/ E-procurement of all Contracts in 2020 - https://bpp.nasarawastate.gov.ng/tenders-2/ Note: 7NOs Projects was carried in Ministry of Education, 3 NOs in Ministry of Health, and 13NOs in Ministry of Works However, the portal contains only 39 entries with contract award dates for only 15 of them		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		which indicate that the contracts were awarded in 2020. The 39 contracts on the portal amounted to about ₦174,147,712. This is at variance with a Capex outturn of ₦33,835,331,096.00 for 2020, and indicates the online publication may be incomplete. Note that this DLR requires the publication of all contracts above the set threshold.		
2 New	Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020?	a) The State has not signed the SaaS e-Procurement Framework Contract. b) No copy of the SaaS e-Procurement Framework Contract was obtained. c) IVA confirmed that the State has put in place its own e-procurement framework before 31 December 2020, to implement e-Procurement. The State engaged Smart App Information and Technologies Ltd, with an Award Letter dated 21st June 2020 with Ref No NS/BPP/78/Vol.1/50, the Agreement between the State and the Vendor was signed on 02/07/2020.	Satisfactory	
3 New	Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the 2020 results DLI is the implementation of e-Publishing/Notification	a) The State did not implement e-procurement in at least 3 MDAs (Education, Health, and Public Works in the year 2020. b) A walkthrough test of the 5 transactions from each MDA was not done (with at least 2 categories of expenditures from goods, works, or services).	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs, and in at least 3 MDAs in the first instance (including Education, Health, and Public Works)

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	module for contract notice and contract award?	c) No transactions were handled through E-procurement under the year of assessment. d) IVA could not confirm whether the State has implemented the E-Publishing/Notification module for contract notice and contract award, since no transactions were handled through e-procurement under the year of assessment e) The E-Publishing/Notification module was not effective during the year 2020. f) The relevant weblink is https://www.nsbppgov.ng/		
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	**State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.**		**Achieved**	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the	a) The State provided copies of their approved state-level public debt legislation named "Nasarawa State Debt Management Office Law" (DMOL)" and "Fiscal Responsibility Commission Amendment Law" (FRCAL) b) The DMOL was assented to by the Governor on 28th December 2020 and passed by the House of	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic Public Financial Management Law?	Assembly on 28th December 2020. The (FRCAL) was assented to by the Governor on 31st December 2019 and passed by the house of assembly on 23rd December 2019.		
2	Does the legislation include provisions that 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.	a) The following are the results of the team's review of the Debt management and Fiscal Responsibility Laws: (i) The responsibility for contracting state debt; section 6 (a) of DMOL state that the Office shall have the power to issue and manage the State Government's Loan upon terms and conditions as may be approved by the State Executive Council (ii) establishing responsibilities for recording and reporting state debt: section 5 (a) of DMOL which states that the Office shall maintain a reliable database of all instruments issued, loans taken or guaranteed by the State Government or Local Government or any of their agencies (iii) establishing fiscal and debt rules or /limits; Section 6 (c) of DMOL state that the Office shall have power subject to the required legislative approval, has authorization to raise and contract loans on behalf of the state, not exceeding, in the aggregate, the sum of Fifty Billion Naira b) Expert review: Criteria 1, 2, and 3 are satisfied (i)The responsibility for contracting state debt is satisfied by section 6(c)of the DMOL	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		(ii)The responsibility for recording state debts is satisfied by section 5(a) of the DMOL (iii) Fiscal rules/Debt Limits are provided in section 12(1) of the FRL. c) The IVA conclusions and expert conclusions are aligned. Criteria 1: State if the legislation includes provisions that establish the responsibilities for contracting state debt: (Section 6 of the Nasarawa state Debt Management Office Law (i.e., DMOL*)* Criteria 2: State if the legislation includes provisions which establish the responsibilities for recording/reporting state debt; (Section 5 ((a) to (n)) of DMOL and Section 7 (a) of *DMDL)* Criteria 3: State if the legislation includes provisions that establish Fiscal and debt rules/limits for the state. (Section 2 of the Fiscal Responsibility Commission Amendment Law and Section 6 (c) of DMOL)		
4	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the core function of recording and reporting state debt?	a) The State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and has been performing its core function of recording and reporting state debt. b) IVA interviewed Mr. Festus, the Director of Debt Management Office and he mentioned	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		that Mr. Obadiah, former Director of DMO handed it over to him in 2021. Mr. Festus opined that there has been a significant improvement in the state debt process and the DMO has been operating as an independent entity. He also mentioned that the DMO is currently facing challenges like shortage of Manpower and limited workspace. He mentioned that the DMO started operation as an agency in 2020 and it was signed into law by the governor on June 28, 2020. c) Physical inspection of the Department or agency was conducted, and we observed that the department is functioning under the Ministry of Finance. The agency is made up of the Director of Debt Management with three (3) other staff and one (1) NYSC. d) The pictures of the official premises were taken and obtained. e) IVA also interviewed the DMO Accountant: Mrs. Lydia Ezekiel who joined the DMO in 2021. IVA concluded that the DMO has been functioning effectively. f) The emails between the Director of Debt Management Office and Ruth Shikmuut (Federal DMO) were obtained and reviewed		
DLR 7.2	**Quarterly state debt reports for Q2, Q3, and Q4 2020 accepted by the DMO on**			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	average two months or less after the end of the quarter in 2020 **AND** **Annual state debt sustainability analysis published by end of December 2020**		**Not Achieved**	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2020?	a) The state submitted quarterly State Domestic Debt Reports (SDDR) (final versions) to the DMO on an average of 2 months after the end of each quarter. We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows: ● Q2 submitted on (17/08/2020) - 48 days after the quarter-end, ● Q3 submitted on (11/11/2020) - 42 days after the quarter-end ● Q4 submitted on (10/02/2021) - 41 days after the quarter-end $\frac{48+42+41}{3}$ Average = 44 days (6 weeks) The SDDRs were submitted within an average of one (1) month and 16 days (44 days). **(N.B: The State is yet to receive the acknowledged copy of the Q2 and Q3 2020 submission from**	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		DMO. However, a mail trail dated 17 August 2020 and 11 November 2020 respectively between State and DMO evidencing submissions to the Federal DMO has retained in the assessment file).		
2	**Note: Have you reviewed for accuracy and completeness from the DMO:** The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.	a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained. b) The State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data has been compared with the supporting documents (including the DMO templates and guidelines) We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Nasarawa State Debt Domestic Report along with all underlying data and both showed different amounts of ₦ 67,255,791,440.42 on the SDEDR while the figure on the SDDR was ₦59,390,353,151.52. Thus, a variance of ₦-7,865,438,288.89 was observed. An APA issue has been raised to the State requesting clarification for the identified discrepancy. The State stated that the variance is because of understatement of the debt figures reported by the state debt management office to the DMO Abuja and LGAs debt. The report was supported with the DMO's templates and guidelines. We reviewed the DMO report and the DMO report confirmed the accuracy and	**N/A**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		completeness of the State Domestic Debt Report. c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State has been compared with the State Audited Financial Statement d) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement e) No discrepancies were noted during the comparison. See below debt stock figures: 1. SDDR Figure: N 35,003,325,086.64 2. AFS Figure: N 35,003,325,086.64 f) No APA issue report was raised g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO were compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State. h) The debt stock figures reported in the SDEDR has been compared with those of the SDDR submissions by the state. i) IVA's result from the comparison revealed the following: Budget support facility, salary bailout, and Excess Crude Account (ECA) Loan from the state DMO are inconsistent with that provided in the SDEDR from (CBN & Federal DMO) while the judgement debt, contractor arrears, State		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Bond and Pension and Gratuity Arrears are consistent. (i) Budget Support Facility: Federal SDEDR = N 21,407,336,300.76 State SDDR = N 17,510,329,634.27 Variance = N -3,897,006,666.49 (ii) Salary Bailout: Federal SDEDR = N 7,520,023,684.47 State SDDR = N 3,542,767,668.4 Variance = N -3,977,256,016.07 (iii) Excess Crude Account (ECA) Federal SDEDR = N 9,108,509,408.05 State SDDR = N 9,117,333,801.71 Variance = N 8,824,393.66 The external loan figures reported in the SDEDR were compared with that of the state AFS: The following were errors or inconsistencies observed: i. SDEDR (DMO) Figure: N22,322,974,451.23 ii. AFS Figure: N22,264,383,961.8 iii. A negative difference of (N58,590,489.43) j) An APA issue has been raised to the State requesting clarification for the identified discrepancy		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3 New	Has the State published online, the State Debt Sustainability Analysis Reports (SDSAR) by 31 December 2020?	a) The State Debt Sustainability Analysis Report (SDSAR) was published on the State official website b) The SDSAR report was posted on the state website on 29th December 2020 c) Evidence: Timestamp has been obtained, and the screenshot was taken from the IT backend of the State's website showing the date of online publication. d) The Weblink is: https://www.nasarawastate.gov.ng/wp-content/uploads/2020/12/NASARAWA%20STATE%20DEBT%20SUSTAINBILITY%20ANALYSIS%20REPORT.pdf	Satisfactory	
4 New	Does the SDSAR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options, and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	Upon review of the State Debt Sustainability Analysis Report (SDSAR), it included the following: (1) Adequate presentation of medium-term budget forecasts, including: (a) Presentation of MTB forecasts (b) Description of assumptions underpinning the MTB forecasts (2) A detailed and adequate description of the debt portfolio and borrowing options, including: (a) Presentation of debt and borrowing projections in the baseline scenario. (b) Description of assumptions underpinning the borrowing options	Unsatisfactory	The State should ensure that the SDSAR includes the following: 1) medium-term budget forecasts; 2) a detailed description of the debt portfolio and borrowing options, and 3) an adequate analysis of the debt and fiscal figures in the preceding calendar year.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year. b) A review and comparison between the information (figures) contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State website was done. The presentation and analysis of the MTB forecast for the Baseline Scenario does not exhibit an adequate level of technical quality. This is because the debt services payments are negative values in the projected period (Chart 17). The response of the State to the draft report forwarded to them is as state below: "We have carefully studied our documents to specifically look for Chart 17 with Negative values in the projected period. During our scrutiny we discovered that the only Document with Negative Value is the **Nasarawa State DSA Report 2020** - https://www.nasarawastate.gov.ng/wp-content/uploads/2020/12/NASARAWA%20STATE%20DEBT%20SUSTAINBILITY%20ANALYSIS%20REPORT.pdf It is worth noting that the **Nasarawa State DSA Report 2020** used by the IVA team to arrive at the conclusion that the DLR is not achieved was actually a report of 2019 Financial Year. This is because the Debt Sustainability Report is written as		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		at the end of the year i.e 2019 report is written in 2020, 2020 report is written in 2021. As a result of the reports being prepared in the preceding year, the title of the document carries the year it was prepared. For example, the 2021 NASARAWA STATE DEBT SUSTAINABILITY ANALYSIS DEBT MANAGEMENT STRATEGY (DSA-DMS) REPORT is meant to be the 2020 NASARAWA STATE DEBT SUSTAINABILITY ANALYSIS DEBT MANAGEMENT STRATEGY (DSA-DMS) REPORT in order for it to have counted for 2020 APA. However, the 2021 NASARAWA STATE DEBT SUSTAINABILITY ANALYSIS DEBT MANAGEMENT STRATEGY (DSA-DMS) REPORT has been published since December 2021 while the Financial Year 2021 DSA-DMS Report is still at the draft stage. We attached a report titled **Assessment of State DSA-DMS Report 2021** from DMO Abuja to certify that the 2021 NASARAWA STATE DEBT SUSTAINABILITY ANALYSIS DEBT MANAGEMENT STRATEGY (DSA-DMS) REPORT which was for 2020 APA met all criterial for achieving this DLR. In furtherance to the above, we appeal for a reassessment using https://nasarawastate.gov.ng/DMO%20Documents/NASARAWA%20STATE%20DEBT%20SUSTAINABILITY%20ANALYSIS%20-%20%20DEBT%20MANAGEMENT%20STRATE		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		GY%20-%20(DSA-DMS)%20REPORT%202021.pdf which was the document meant for the year 2020 APA". Given the above, the IVA has come to the conclusion that the State did not meet the requirements. The clarification provided by the State with respect to the SDSA-DMSR submitted to DMO, will be assessed in 2021 APA.		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	**<u>Basic Target:</u> Domestic arrears as of end 2019 and end 2020 are reported in an online publicly accessible database, with a verification process in place.** **<u>Stretch Target:</u> Domestic arrears as of end 2019 and end 2020 reported in an online publicly accessible database, with a verification process in place** **AND** **at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework**		**Achieved** (Stretch Target Met)	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	or maintain stock below 5 billion.			
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The State has established an Arrears Clearance Framework (ACF) b) The IVA obtained a copy of the ACF from the State c) The establishment of the ACF occurred on 30th April 2020. d) The duration between the establishment of the ACF and the 31st December year-end is 8 months, which is adequate to allow time for the implementation of the ACF as observed in the state (SARVCR)	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled. b) The ACF on page 7, paragraph 2.2, contained key credible arrears clearance strategies to enable the state to reduce their arrears. The other document submitted by the state to confirm that the ACF exists is the (SARVCR).	Satisfactory	
3	Has the ACF been published on a State official website?	a) The ACF has been published on a State official website b) The IVA has downloaded a copy for validation. c) The weblink - https://nasarawastate.gov.ng/2020-nasarawa-state-debt-arrears-clearance-framework/	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		IT back-end timestamps was obtained as evidence to confirm the date of publication.		
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	**T**he Established ACF is consistent with the clearance of domestic expenditure arrears. The IVA observed that the process of domestic Debt reduction is consistent with the ACF and the State's SARVCR as displayed in the (SARVCR)	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	a) The State has established an Internal Domestic Arrears Database. b) The Internal Domestic Arrears Database includes the following: a. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, at a minimum, the internal domestic arrears database also includes the name of the contractor, the amount due at the end-of-year, the nature of the goods and services procured that generated the claim, and billing data (as applicable), The database show the total domestic arrears stock at the end of each year. b. The aggregate amount of pension and gratuity arrears. c. Excluding aggregate amount of salary arrears and other staff claims as the state does not have salary arrears. d. The IVA observed that there were no other domestic arrears owed by the state.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		c) The verification process is in place for the arrears in the database. d) The IVA confirmed through the evidence provided by the State that the State has conducted verification of arrears balances. e) The IVA conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, payroll records, underlying contract data, etc. and observed that the internal domestic arrears are functional f) The IVA obtained the annual State Arrears Recording, Verification, and Clearance Report (SARVCR) from the State		
6	Has the State published online elements of the internal domestic arrears database for the FY **2019** and FY **2020** reported on a State official website, which constitutes the online publicly accessible arrears database?	a) The State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2019 and 2020. b) The consistency and accuracy of the information on the online publicly accessible arrears database were verified by IVA. Furthermore, we compared the aggregate and individual information available on the online publicly accessible arrears database with that provided in the internal domestic arrears database c) The IVA confirmed that the website supporting the online publicly accessible arrears database contains an electronic link that permits any potential contractor /creditor whose individual claim is not listed in the database to communicate this exclusion to the State	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Ministry of Finance, by filling a confidential form online and attaching supportive evidence of her claim. There were no claims by the public for correction and necessary addition. d) The IVA confirmed that the online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State. e) The result of the test of the facility for contractors with arrears (creditors) to report any omissions to the State was productive with a response from the state I.T service provider. A copy of the response was obtained and retained in the assessment file. f) There was no omission query raised by the contractors as regards the online domestic debt publication. g) There were no valid omissions for restatement. The state source of information is the DMO, https://www.nasarawastate.gov.ng/department-of-debt-management/		
7.	Does the online publication include? 1) the aggregate amount of contractors' arrears. 2) the aggregate amount of pension and gratuity arrears.	The online publication includes the aggregate amount for three types of arrears as shown. (The amount missing is the salary arrears and staff claim because Nasarawa state has no salary arrears and staff claims). The online publication contains the names of contractors owed ₦20m in arrears and above.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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 ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.			
8.	Has the State met the following? (i) Percentage decline in the verified stock of domestic arrears at end 2020 compared to end 2019 meets target and is consistent with the state's arrears clearance framework. **-Stretch target:** At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion.	We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database and confirmed that it was not the same as the balances stated within the SDDR and the AFS for 2020. An APA issue report has been raised to the state to explain the discrepancies. The state's response has been retained in the assessment file https://www.nasarawastate.gov.ng/department-of-debt-management/ In respect to the additional information provided by the State regarding the percentage increase in the verified stock of domestic arrears, IVA computed the following:	Satisfactory	

<table>
<tr><th colspan="2">Disbursement Linked Indicators (DLIs) and Tests</th><th>Findings</th><th>Conclusion</th><th>Recommendations</th></tr>
<tr><td></td><td>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.</td><td>
<table>
<tr><th>Aggregate Amount of:</th><th>2020</th><th>2019</th><th>% diff.</th></tr>
<tr><td>Contractors Arrears</td><td>12,206,162,903.40</td><td>13,520,467,825.83</td><td>10%</td></tr>
<tr><td>Pension and Gratuity arrears</td><td>12,166,813,949.97</td><td>12,528,304,953.41</td><td>3%</td></tr>
<tr><td>Salary arrears and Staff claims</td><td></td><td></td><td></td></tr>
<tr><td>Judgment Debt</td><td>14,051,311.83</td><td>448,594,099.82</td><td>96%</td></tr>
<tr><td>Other types of domestic expenditure arrears</td><td></td><td></td><td></td></tr>
<tr><td>Total Domestic Arrears</td><td>24,387,028,165.20</td><td>26,497,366,879.06</td><td>7.96%</td></tr>
</table>
<u>₦26,497,366,879.06 - ₦24,387,028,165.20</u> X 100
₦26,497,366,879.06
= 7.96%
The percentage decrease is 7.96%
</td><td></td><td></td></tr>
<tr><td colspan="3">DLI 9: Improved Debt Sustainability</td><td></td><td></td></tr>
<tr><td>DLR 9.0</td><td>Total debt stock at end Dec [2020] as a share of total</td><td></td><td>Achieved (Stretch target met)</td><td></td></tr>
</table>

<table>
<tr><th colspan="2">Disbursement Linked Indicators (DLIs) and Tests</th><th>Findings</th><th>Conclusion</th><th>Recommendations</th></tr>
<tr><td></td><td>revenue for FY [2020] meets target:

-Basic target: < [150%]
-Stretch target: < [125%]</td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>Has the State met:

(i) the ratio of total debt stock at end-of-year (31st December 2020) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2020)?

-Basic target:< [150%]
-Stretch target: < [125%]</td><td>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.

<u>Total Public Debt</u>
<table><tr><th></th><th>Financial Statements</th><th>DMO/SDEDR Figures</th></tr><tr><td>Total Domestic Debts</td><td>35,003,325,087</td><td>67,255,791,440</td></tr><tr><td>Total External Debts</td><td>22,264,383,962</td><td>22,322974,451</td></tr><tr><td>Total Public Debts</td><td>57,267,709,049</td><td>89,578,765,892</td></tr></table>
<u>Total annual revenue</u>
<table><tr><td>2020 Adjusted IGR (see DLI 4.2)</td><td>11,874,472,593</td></tr><tr><td>Gross FAAC Allocation</td><td>47,129,869,098.</td></tr><tr><td>Grants</td><td>19,175,567,510</td></tr></table></td><td></td><td></td></tr>
</table>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

Other Revenues	
Total Revenue	78,179,909,201.

a) The State's domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2020 is at the end of Q4 2020.

We have computed the total debts stock / Revenue percentage for the 2020 year, as follows:

$$\frac{89,578,765,892}{78,179,909,201} \times 100$$

= 114.5%

Sources:

(i) For Total Revenue 2020 Audited Financial Statement is on Page 1.

(ii) For Total Public Debt from DMO* as of December 31, 2020

(iii) NBS/OAGF (FAAC)

*Table 3(i) below holds a breakdown of the Total Debt.

b) The debt stock stated in the Federal DMO State Domestic and External Debt Report is NOT the same as the debt stock stated in the Audited Financial Statement (AFS).

c) A variance was observed, and the reasons are stated in (d) below. The discrepancy between State's debt figures in the AFS and the DMO

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		adjusted figures is due to the adjustments made invalidating the data with CBN and FMOF (Budget Support Loan), and due to discrepancies between States AFS and what States report to DMO originally (Excess Crude Account & Bailout Salary). d) The difference has been communicated to the State and the response of the state is as follows: i. Excess Crude Account (ECA) Loan: The difference is a result of understatement of debt service figure reported by the state debt management office to the DMO Abuja, ii. Bailout Salary: The disparity was due to Bailout Salary Loan collected by the Local Government in the State. As of 31st December 2020, the State DMO is reporting only the Bailout Salary collected by the State before the actual reconciliation exercise. iii. The State collected a Budget Support Loan of N17,569,000,000.00 in 2016 and from the Amortization Table, the Repayment was supposed to commence 2019 which was agreed upon by both parties. This has accumulated to N21,407,336,301 because of the 3 years of unpaid interest compounded by CBN. The State got to know about this balance during the reconciliation exercise. e) The difference has been calculated in value. The State did not amend and resubmit its SDEDR to the IVA. IVA obtained explanations from the		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		State via APA issue response as retained in the assessment file.		

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

NASARAWA STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,407,336,301
BAIL OUT (SALARIES) (SOURCE CBN)	7,520,023,684
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,108,509,408
STATE BONDS	4,832,892,882
COMMERCIAL BANK LOANS	-
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOANS (CBN FACILITIES)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	-
JUDGEMENT DEBTS	14,051,312
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	12,206,162,903
PENSION AND GRATUITY ARREARS	12,166,813,950
SALARY ARREARS AND OTHER CLAIMS	-
OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	**67,255,791,440**
TOTAL EXTERNAL DEBT (TED)	22,322,974,451
TOTAL PUBLIC DEBT (TED+TDD)	**89,578,765,892**

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

TEMPLATE: OPTION A	NGN
Item	**2020**
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	**47,129,869,098**
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	**34,102,505,338**
1.1.1 Gross statutory allocation	30,248,371,564
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	3,854,133,774
1.2 VAT	**13,027,363,760**
2. Internally Generated Revenues (IGR) – Adjusted	**11,874,472,593**
3. Grants (internal and external)	**19,175,567,510**
4A. Other revenues (4.1 + 4.2 + 4.3)	-
4.1 Investment Income (e.g., dividends)	
4.2 Interest Earned	
4.3 Miscellaneous	
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	**78,179,909,201**

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	**DLR 1.2 – SUPPLIMENTARY BUDGET** 1. We examine detail assessment of the laws of the country on Supplementary Budget and it was discovered that there is no barrier or provision that deter a state or public sector entity from making a supplementary budget under the public finance management. 2. Also, the verification protocol version 8 you resent to us did not state anything contrary about supplementary budget. 3. During the year 2020, an included COVID 19 emergency, the Federal Government of Nigeria use a parameter to have an amended budget and instruction was passed to the state via SFTAS programme, using a parameter to be used by the state in arriving at the amended budget for the year, making original budget the basis for the year which our state also abided to. 4. Towards the end of the year after our amended budget, the state in its effort was able to bring in all unanticipated revenue that demand for supplementary budget approval to have authority for the state to spend or making expenditure from the same revenue. The supplementary plus Amended budget were made in good faith for the developmental purpose of the state. However, we observed that the budget deviation computed by the IVA under DLR 1.2 did not include supplementary budget expenditure in the denominator, which gives rise to negative figure of a variance beyond expected. We are dismay that the IVA team concluded their findings that the state did not achieve the DLR without including the supplementary budget provided for them. **PRAYERS**: • We want your attention to the fact that we did not spend without availability of funds and accurate authorization. The House of Assembly passed the Bill and it was assented to by the Governor. • We want to submit that if supplementary budget will be seen as abuse of authorization, it would be proper that amount so provided in the supplementary budget should be removed from Actual Total Expenditure and excluded from Denominator likewise while computing the budget deviation for the year.	The Verification Protocol states that "the expenditure outturn deviation is computed as the difference between the approved total amended budgeted expenditure for the fiscal year and the actual total expenditure in the fiscal year, divided by the approved total amended budgeted expenditure, and expressed in positive percentage terms. The deviation should be less than 15%". However, IVA is not taking the reference of a supplementary budget into cognisance. Therefore, IVA maintains the conclusion as "Unsatisfactory".

	• In conclusion, we wish the IVA, PCU, and World Bank to revisit this deviation of DLR and recompute our budget deviation for the year 2020. • The url for the Supplementary Budget is https://nasarawastate.gov.ng/pdf_documents/2020%20Supplementary%20Budget.pdf • Our Recomputed budget deviation without Supplementary Budget is: N (Total Amended Budget) – N (Total Actual) x 100 N (total Amended Budget) =??% {N (Total Amended Budget) -(Supplementary budget)}– {N (Total Actual) -(Supplementary budget)}x 100 {N (total Amended Budget) – (N Supplementary budget)} (N88,377,485,108.85-N23,753,376,300.36} – {N 85,764,136,685-N23,753,376,300.36} x100 (N88,377,485,108.85- N23,753,376,300.36) N64,624,108,808.49 – N62,010,760,384.64 x100 N64,624,108,808.49 =4% • While our Recomputed budget deviation with Supplementary Budget is: N (Total Amended Budget) – N (Total Actual) x 100 N (total Amended Budget) =??% {N (Total Amended Budget) + (Supplementary budget)} – {N (Total Actual) + (Supplementary budget)}x 100 {N (total Amended Budget) + (N Supplementary budget)} (N88,377,485,108.85) – (N 85,764,136,685) x100 (N88,377,485,108.85)	

	N 2,613,348,423.85 x100 N88,377,485,108.85 =3%	
2	DLI 3-THE STATE DID NOT HAVE A FUNCTIONAL TSA COVERING IGR, FAAC AND VAT ACCOUNTS The Nasarawa State Government keyed into the Treasury Single Account policy as recommended by the World Bank for the effective management of state's cash assets by ensuring that all government payments and revenue collections are managed through a single bank account and a set of linked accounts, which promotes accountability and transparency in the management of public funds. We are pleased to say that the three (3) underlisted accounts operated by Nasarawa State Government are all linked together and can be viewed from a single electronic dashboard. 1. IGR Main Account: Account name: Nasarawa State IGR Pool Account Account number: 2033340223 Bank Name: First Bank of Nigeria Plc 2. FAAC Account: Account name: Nasarawa state consolidated revenue fund account, Account number: 1016506650 and 1017431698 Bank Name: Zenith Bank Plc 3. VAT Account: Account name: Nasarawa State Government VAT account, Account number: 0817669766 Bank name: Access bank Plc The FAAC Account is our TSA main account with balances of other account automatically swept off intermittently. However, in mid-2020 a garnishee order was obtained against the government that force the Government to rely on IGR POOL ACCOUNT to run the affairs on the State. See https://www.thisdaylive.com/index.php/2020/08/19/garnishee-order-forces-nasarawa-to-rely-on-igr/	

	Similarly, The Government took an Overdraft Facility with First Bank of Nigeria Plc using the Nasarawa State IGR Pool Account as a collateral with a clause that Nasarawa State Government confirm the continuous domiciliation of the IGR (Lead) Account with First Bank of Nigeria Plc. See attached as evidence of Loan Document titled First Bank Overdraft for your clarification. While we aggregate all revenues and income of government into a single source (the FAAC Account) before disbursing, it was because of the garnishee order and the Overdraft that few transactions in the Nasarawa State IGR Pool Account were not swept back into the FAAC Account. We also wish to plead with you to note that Nasarawa State is a civil service state and once salaries are not paid, it affects the whole state. We humbly request for a re-evaluation of DLI 3 for the reasons stated above, as we anticipate the change of the Status of the DLI to be Achieved.	
3	**DLR 7.2 - THE ANNUAL STATE DEBT SUSTAINABILITY ANALYSIS HAD INCONSISTENCIES AND/OR ILLOGICAL STATEMENTS (E.G. NEGATIVE DEBT STOCK)** We like to refer to your comment "The presentation and analysis of the MTB forecast for the Baseline Scenario does not exhibit an adequate level of technical quality. This is because the debt services payments are negative values in the projected period (Chart 17)." We have carefully studied our documents to specifically look for Chart 17 with Negative values in the projected period. During our scrutiny we discovered that the only Document with Negative Value is the Nasarawa State DSA Report 2020 - https://www.nasarawastate.gov.ng/wp-content/uploads/2020/12/NASARAWA%20STATE%20DEBT%20SUSTAINBILITY%20ANALYSIS%20REPORT.pdf It is worth noting that the Nasarawa State DSA Report 2020 used by the IVA team to arrive at the conclusion that the DLR is not achieved was actually a report of 2019 Financial Year. This is because the Debt Sustainability Report is written as at the end of the year i.e 2019 report is written in 2020, 2020 report is written in 2021. As a result of the reports being prepared in the preceding year, the title of the document carries the year it was prepared. For example, the 2021 NASARAWA STATE DEBT SUSTAINABILITY ANALYSIS DEBT MANAGEMENT STRATEGY (DSA-DMS) REPORT is meant to be the 2020 NASARAWA STATE DEBT SUSTAINABILITY ANALYSIS DEBT MANAGEMENT STRATEGY (DSA-DMS) REPORT in order for it to have counted for 2020 APA. However, the 2021 NASARAWA STATE DEBT SUSTAINABILITY ANALYSIS DEBT MANAGEMENT STRATEGY (DSA-DMS) REPORT	The IVA has come to the conclusion that the State did not meet the requirements for the year concerned, although, the clarification provided by the State in respect of the SDSA-DMSR submitted to DMO will be assessed in 2021 APA and not for the year 2020 sAPA.

	has been published since December 2021 while the Financial Year 2021 DSA-DMS Report is still at the draft stage. We attached a report titled Assessment of State DSA-DMS Report 2021 from DMO Abuja to certify that the 2021 NASARAWA STATE DEBT SUSTAINABILITY ANALYSIS DEBT MANAGEMENT STRATEGY (DSA-DMS) REPORT which was for 2020 APA met all criterial for achieving this DLR. In furtherance to the above, we appeal for a reassessment using https://nasarawastate.gov.ng/DMO%20Documents/NASARAWA%20STATE%20DEBT%20SUSTAINABILITY%20ANALYSIS%20-%20%20DEBT%20MANAGEMENT%20STRATEGY%20-%20(DSA-DMS)%20REPORT%202021.pdf which was the document meant for the year 2020 APA. We also wish to reiterate that DSA-DMS Reports are prepared by States with the supervision and guidance of the Debt Management Office (DMO) in Abuja. We look forward to seeing the status of this DLR changes from NOT ACHIEVED to ACHIEVED. Kindly accept the assurances of our highest regards	
4	DLI 8 - The percentage increase in the verified stock of domestic arrears After detail consideration of draft report on this DLI, it was regretted to notice that: • the extracted information IVA relied on was drawn from wrong document that contained an erroneous table. • We have detected this error and correct document with accurate table was immediately uploaded • The SARVCR with wrong table was downloaded by IVA and used for evaluation. The attached document is the corrected version that has been uploaded via http://www.nasarawastate.gov.ng/wp-content/uploads/2020/12/NASARAWA SARVCR 2020.pdf However, we humbly request for a re-evaluation of DLI 8 as we anticipate the satisfaction to change the Status of the DLI to “Achieved”.	The IVA has come to the conclusion that the State did not meet the requirements of this DLI and hereby maintains the conclusion as “Unsatisfactory”.
5	DLR THAT REQUIRES AVAILABILITY OF URL, please find underlisted links for your further perusal.	Noted for compliance.
6		

1	**DLR 1.1**	(Subject to the State providing a functional web link for Q2 and evidence that the publication was done within the deadline)	https://nasarawastate.gov.ng/portfolio/nasarawa-state-half-year-2020-report Url https://nasarawastate.gov.ng/pdf_documents/Second%20Quarter%202020%20Report.pdf Evidence of Publication https://nasarawastate.gov.ng/pdf_documents/Screenshot 2020 Q2 Report.docx
2	**DLR 2.2**	(Subject to the State providing a functional weblink for the publication of the Disemmination event)	**https://nasarawastate.gov.ng/wp-content/uploads/2020/09/Minutes%20of%20Town%20Hall%20Meeting%20for%20the%20Feed%20Back%20on%20The%20Amended.pdf**
3	**DLR 4.1**	(Subject to the State providing a functional weblink for the publication of the Revenue Law)	https://nasarawastate.gov.ng/pdf_documents/Nasarawa%20State%20Harmonization%20and%20Administration%20of%20Revenue%20Law%202020.pdf https://www.nasarawastate.gov.ng/wp-content/uploads/2020/12/Nasarawa%20State%20Harmonization%20and%20Administration%20of%20Revenue%20Law%202020.pdf https://nasarawastate.gov.ng/portfolio/nasarawa-state-harmonization-and-administration-of-revenue-law-2020/
4	**DLR 5.2**	The State is to provide evidence to corroborate this increase and to address the risk that the 2019 figures were understated while responding to this report. Otherwise, this DLR is not achieved.	Nasarawa State Government recruited 2,250 Teachers in year 2020 See https://newsdiaryonline.com/nasarawa-govt-begins-payment-of-salaries-of-newly-employed-teachers-october/
5	**DLR 6.2**	***The 39 contracts on the portal amounted to about ₦174,147,712. This is at variance with a Capex outturn of ₦33,835,331,096.00 for 2020, and indicates the online publication is may be incomplete."***	Please note the urls for list of all Contracts Executed in the 2020 ***including Education, Health, and Public Works)*** can be found on 1. OCDS of all Contracts in 2020 - https://nasocp.com/2020-awarded-contracts-ocds/

		"Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the 2020 results DLI is the implementation of e-Publishing/Notification module for contract notice and contract award?	2. E-procurement of all Contracts in 2020 - https://bpp.nasarawastate.gov.ng/tenders-2/ Please Note that: **7NOs Projects was carried in Ministry of *Education, 3 NOs in Ministry of Health, and 13NOs in Ministry of Works***
6	**DLR 8.0**	**<u>Stretch Target:</u> Domestic arrears as of end 2019 and end 2020 reported in an online publicly accessible database, with a verification process in place**	https://www.nasarawastate.gov.ng/department-of-debt-management/