



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

2019 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 JK Consulting Co. Ltd**



November 2020

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1 Executive Summary




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

Table 1 (below) reflects the outcome of the 2019 APA for Nasarawa State and shows areas where the State achieved results. In total, Nasarawa State achieved **7 (Seven)** DLRs out of 15 DLRs applicable to 2019. One of the achieved DLRs was due for assessment during the 2020 APA but has been assessed early as requested by the Programme.

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

1. DLR 1.1: Budget implementation reports should include, at a minimum, the approved budget appropriation for the year for each organizational unit (MDAs).
2. DLR 3.0: Develop a single electronic dashboard (based on the approved cash management strategy) that allows for a central view of cash balances in bank accounts, provide 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. e.g a Cash Survey Report. The State should also increase the percentage of state government finances flowing through the TSA to at least the minimum required to achieve this result.
3. DLR 4.1: Review for amendments, the Revenue Law (alongside with the revenue code). The revenue law should clearly state the sources of the revenues, (including the Local Governments sources). The amended revenue law and code should be published online.
4. DLR 4.2: Increase its IGR revenue to achieve a minimum of 20% nominal annual growth rate.
5. DLR 6.1 : The state should have a functional regulatory agency
6. DLR 6.2: Publish contract award information, above the set threshold, and on a monthly basis in OCDS format on the State's website.
7. DLR 7.1: Introduce State-level legislature which stipulates the responsibility for recording / reporting state debt
8. DLR 8: A Domestic Arrears Clearance Framework (ACF) is established and an internal domestic arrears database with relevant balances placed online through a publicly accessible portal.

Table 1: Assessment Results

Key:	Achieved 	Not Achieved 	Previously Achieved 
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY19 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		The Reports were published online in an average of 17 weeks after the quarter end.
	DLR 1.2: FY19 deviation for total budget expenditure is < 25%		The expenditure outturn deviation was 23.6%.
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 FY2020 budget.		Citizens' inputs from formal public consultations were published online on 31 st January 2020.
	DLR 2.2: Citizens' budget based on approved FY19 State budget published online by end April 2019.		Citizens' budget based on approved FY19 State budget was published 26 th March 2019.
DLI 3: Improved cash management and reduced revenue leakages through implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 60 percent of state government finances implementation of State TSA		The TSA covered 58% of State 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		The Revenue Code does not stipulate the SBIR as the sole agency responsible for state revenue and does not include all sources of revenue for Local Governments
	DLR 4.2: 2019-2018 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more		IGR Nominal Growth Rate was 2.3%.
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 75 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		Biometric data of 82.5% of civil servants and pensioners are linked to the payroll.
	DLR 5.2: Link BVN data to at least 75 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		91.2% of civil servants and pensioners BVN data is linked to payroll
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.		The State did not have a Procurement Regulatory Agency in 2019 and up to the time of assessment in September 2020.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the state website		There was no publication of contract award information online.
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.		The legislation does not cover the responsibility for recording/reporting state debt

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2019		Quarterly State debt reports were submitted on average of 6.9 weeks.
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established and Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.		State has no Arrears Clearance Framework and Internal Domestic Arrears Database.
DLI 9: Improved debt sustainability	Total debt stock at end of December 2019 as a share of total revenue for FY2019 meets target: Basic target: < 140%, Stretch target: < 115%. and Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2019.	Basic target achieved	Monthly debt service deduction is 10.8% of Gross FAAC, and the Total Debt Stock to Revenue is 120.2%.

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

2. Introduction

2.1 Overview

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

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

2.2 Scope

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

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitised on the requirements of the program and on the protocol for 2019. The assessment results are binary (Pass or Fail), 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 (31/08/2020 and 04/09/2020) with a team of 4 persons, starting with an opening meeting where all the information requested were handed over. The visit was concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2019] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management		Not Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within six weeks of the end of each quarter?	<p>The Quarterly Budget Implementation Reports were posted online on</p> <p>(i) Q1- http://old.nasarawastate.gov.ng/2019%20Q1%20Implementation%20Report/</p> <p>(ii) Q2- http://old.nasarawastate.gov.ng/2019%20Q2%20Implementation%20Report/</p> <p>(iii) Q3- http://old.nasarawastate.gov.ng/2019%20Q3%20Implementation%20Report/</p> <p>(iv) Q4- http://old.nasarawastate.gov.ng/2019%20Budget/Nasarawa%20State%20Q4%20and%20FY2019%20Budget%20Implementation%20Report.pdf</p> <p>as follows:</p> <p>(a) Q1 – (28/11/2019)- 34.6 weeks (242 days)</p> <p>(b) Q2 – (28/11/2019) – 21.6 weeks (151 days)</p>	Unsatisfactory	The State should ensure all quarterly implementation reports are published within six weeks of the end of each quarter.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>(c) Q3 – (15/11/2019) – 6.6 weeks (46 days) (d) Q4 – (12/02/2020) – 6.1 weeks (43 days)</p> <p>Average week for the online publication is computed as below:</p> $\frac{34.6+21.6+6.6+6.1}{4}$ <p>Average = 17.2 Weeks (121 days)</p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters of the year 2019 and obtained evidence of a time stamp of the publications.</p>		
2	<p>Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year to date, and balances against each of the revenue and expenditure appropriations.</p>	<p>Review of the Quarterly Budget Implementation reports downloaded from the State’s website (see weblinks above) we observed the following:</p> <p>(a) The Q1-Q3 Budget Implementation Reports include the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classification of expenditures. However, the Q4 Budget Implementation Report did not include the approved budget appropriation for the year against each organizational units (MDAs).</p> <p>(b) The Budget Implementation Reports include the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year to date.</p> <p>(c) The Budget Implementation Reports include the balances against each of the revenue and expenditure appropriations.</p> <p>(d) The budget implementation report is based on the original approved budget.</p>	Unsatisfactory	<p>The State should ensure the reports include approved budget appropriation for each organizational unit (MDAs).</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
3	Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for year to date?	Upon review of the Budget Performance reports, they state the actual expenditures for each quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date.	Satisfactory													
4	Does the report State balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	The Budget Performance reports state the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory													
DLR 1.2	FY [2019] deviation from total budget expenditure is less than 25%		Achieved													
1	Has the State computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms?	<p>The State computed the budget deviation for 2019 to be 24%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="730 1149 1310 1344"> <thead> <tr> <th></th> <th>Original Budget</th> <th>Actual Outturn</th> </tr> </thead> <tbody> <tr> <td>Capital (pg 16)</td> <td>31,927,994,046</td> <td>16,179,438,137</td> </tr> <tr> <td>Rec. Exp (pg 16)</td> <td>58,242,252,417</td> <td>52,721,540,949</td> </tr> <tr> <td>Total</td> <td>90,170,246,463</td> <td>68,900,979,086</td> </tr> </tbody> </table> <p style="text-align: center;">$\frac{N90,170,246,463 - N68,900,979,086}{90,170,246,463} \times 100$</p>		Original Budget	Actual Outturn	Capital (pg 16)	31,927,994,046	16,179,438,137	Rec. Exp (pg 16)	58,242,252,417	52,721,540,949	Total	90,170,246,463	68,900,979,086	Satisfactory	
	Original Budget	Actual Outturn														
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Total	90,170,246,463	68,900,979,086														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Is the expenditure outturn deviation computed less than 25%	<p style="text-align: center;">= 23.6%</p> <p>The budget performance deviation is 24%.</p> <p>Note that the 2019 Annual Budget shows total recurrent expenditure of N58.099bn and capital expenditure of N32.07bn giving a total original budget expenditure of N90.170bn.</p> <p>Source: 2019 Audited Financial Statement Pg 8-9 for cashflow statement and 2019 Approved Budget Pg 6</p>		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2020] budget		Achieved	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with participation of local government authorities and State-based CSOs?	<ul style="list-style-type: none"> a) The LGAs that were in attendance at the town-hall consultation are Lafia and Doma. b) Two CSO representatives were in attendance: c) The consultation with minutes titled "MINUTES OF THE MEETING ON CITIZENS' BUDGET PARTICIPATION held on THURSDAY 25TH APRIL 2019 AT CONFERENCE HALL MINISTRY OF FINANCE, BUDGET & PLANNING, LAFIA. d) 10 attendees were called to confirm their attendance at the public consultation and their responses were satisfactory. e) The Proposed budget was drafted on 4th November 2019. f) The consultation was done before the proposed budget was drafted. 	Satisfactory	The State should make sure that all minutes are typed and not handwritten.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2020 to enable citizens to find the inputs easily?	<ul style="list-style-type: none"> a) Two CSO representatives in attendance jointly prepared the minutes and co-signed it. b) The minutes of the consultation meeting is available on http://old.nasarawastate.gov.ng/2019%20Citizens%20Budget%20Pictures.pdf http://old.nasarawastate.gov.ng/Attendant%20of%20Citizen%20Budget%20Town%20Hall%20Meeting.pdf http://old.nasarawastate.gov.ng/Minute%20of%20Citizen%20Budget%20held%2025th%20April%202019.pdf c) The date of online publication of the minutes of the consultation was 31st December 2019. d) See Appendix A for weblinks to the proposed/final budget 	Satisfactory	
DLR 2.2 New	Citizens' budget based on approved FY19 State budget published online by end April 2019.		Achieved	
1 New	Has the State published online, on the State website(s) a <i>Citizens Budget based on the approved FY19 state budget</i> not later than 30 April 2019?	The Citizens budget based on approved FY19 state budget was published on 26 th March 2019 before the due date. The weblink is http://old.nasarawastate.gov.ng/Nasarawa%20State%202019%20Citizens%20budget.pptx it was accessed on 31/80/2020).	Satisfactory	
2 New	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY19 state budget?	We confirmed that the Citizens budget summarizes in a comprehensible manner to citizens the approved FY19 state budget and it was prepared in the format suggested to the State. It accurately includes the key budget information from the original budget, including the following; <ul style="list-style-type: none"> i. Simple explanation of the annual budget/citizen's budget; Page 16 ii. Breakdown of revenues and expenditures as stated in step 3 above. Pages 3-7 iii. Disclosure of Budget deficit. No budget deficit. iv. Sectoral Allocation (MDAs by MDAs) Page 14 v. Top Projects to be financed (at least 5) page 13 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<i>DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA</i>				
DLR 3.0	Improved cash management and reduced revenue leakages through implementation of State TSA		Not Achieved	
1	Has the State established a functional State-level TSA?	<p>The State maintained a TSA with Fidelity Bank, Account Number 5030032820 as at (1/1/2019-27/11/2019) for FAAC allocations and transferred to Zenith Bank Account Number 1016506650 (20/09/2019-31/12/2019). A lead IGR account was also maintained with First Bank account number 2033340223. The VAT was maintained with Fidelity Bank, Account Number 5030032239.</p> <p>Revenue collections through several bank accounts are swept into IGR lead account weekly. Funds were transferred from the IGR lead account to the TSA monthly. Expenditures were also made directly from the TSA.</p> <p>The State operates three accounts.</p> <ol style="list-style-type: none"> 1. Internally Generated Revenue (IGR): Bank Name: First Bank Account Number: 2033340223 2. Statutory Revenue (FAAC): Bank Name: (Old TSA) Fidelity Bank Plc (1/1/2019-27/11/2019) Account Number: 5030032820 Bank Name: (New TSA) Zenith Bank Plc (20/09/2019-31/12/2019) Account Number: 1016506650 3. VAT: Bank Name: Fidelity Bank Plc Account Number: 5030032239 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>(a) The title of the cash management strategy is “Nasarawa State Government Cash Management Strategy”.</p> <p>(b) It was produced in July 2020. The Executive Governor, the Commissioner of Finance and the State Accountant-General signed the Cash Management Strategy on 2nd July 2020.</p> <p>(c)The strategy includes the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds as stated in Pg 6, Paragraph 2.5 (Steps in Implementing Cash Management Strategy).</p> <p>(d) The State conducts routine sweeping of balances from other collecting banks to the TSA as stated in Paragraph 5.2.10- Review of previous Treasury Management.</p> <p>(e) There is no 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. i.e. Cash survey report</p>	Unsatisfactory	The Strategy was produced in 2020 and will count toward the next APA. In advance of that the State should ensure adequate 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 i.e Cash Survey Report.
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)?	TSA does not have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard. The State does not have an app provided by the TSA bank.	Unsatisfactory	The State should establish a cash management system that allows for a central view of cash balances in bank accounts on a single electronic dashboard.
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but	<p>a. Statutory Revenue (FAAC)</p> <p>Bank Name: (Old TSA) Fidelity Bank Plc (1/1/2019-27/11/2019)</p> <p>Account Number: 5030032820</p> <p>Bank Name: (New TSA) Zenith Bank Plc (20/09/2019-31/12/2019)</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations												
	<p>Account Number: 1016506650</p> <p>b. All government monies go through this account (New TSA account in Zenith bank)</p> <p>c. Funds are also swept weekly from other revenue collecting banks to IGR Lead bank and monthly from Lead bank to TSA bank.</p> <p>d. The TSA bank Statement obtained:</p> <ul style="list-style-type: none"> i. Fidelity Bank Plc (1/1/2019-27/11/2019) ii. Zenith Bank Plc (20/09/2019-31/12/2019) 														
<p>5 Does the TSA cover a minimum of 60% of the State Government's finances?</p>	<p>The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2019.</p> <p>See the computation below:</p> <table border="1" data-bbox="667 824 1304 1008"> <thead> <tr> <th></th> <th>Total Inflows</th> <th>Total Outflows</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>39,163,602,715.09</td> <td>38,797,583,659.21</td> </tr> <tr> <td>Government Finances*</td> <td>68,128,073,060</td> <td>67,404,222,535</td> </tr> <tr> <td>Percentage</td> <td>57%</td> <td>58%</td> </tr> </tbody> </table> <p>The average is percentage computation is:</p> $\frac{57\% + 58\%}{2} = 58\%$ <p>The TSA covered 58% of the State's finances.</p> <p>*Sources: 2019 Audited Financial Statement (Cashflow Statement) Pg. 8-9 and the TSA Statement from (Fidelity Bank- 1/1/2019 – 27/11/2019 and Zenith Bank 20/09/2019 – 31/12/2019)</p>		Total Inflows	Total Outflows	TSA Bank Statement	39,163,602,715.09	38,797,583,659.21	Government Finances*	68,128,073,060	67,404,222,535	Percentage	57%	58%	<p>Unsatisfactory</p>	<p>The State's TSA should cover a minimum of 70% of Government Finances.</p>
	Total Inflows	Total Outflows													
TSA Bank Statement	39,163,602,715.09	38,797,583,659.21													
Government Finances*	68,128,073,060	67,404,222,535													
Percentage	57%	58%													
<p>DLI 4: Strengthened Internally Generated Revenue (IGR)</p>															

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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		Not Achieved	The same law was assessed during the 2018 APA and has not been amended.
1	Does the State have up-to-date consolidated revenue code which includes all the State's IGR sources and all the local governments (falling under that State) IGR sources?	<ul style="list-style-type: none"> a) Nasarawa State Internal Revenue Law 85 of 2010 was approved by the House of Assembly on 8th April 2010 and assented to by the Governor on 15th April 2010. Nasarawa State Internal Revenue service (Amendment) Law 2018 was approved and assented to by the Governor on 22nd May, 2018. b) The State Internal Revenue Law does not include Revenue Code. c) The State has more than one law and the laws are properly cross-referenced. d) d)The State Internal Revenue Law does not include Revenue Code e) The Web link is: https://nasarawastate.gov.ng/wp-content/uploads/2020/07/Internal-revenue-law-85.pdf f) The State Internal Revenue Law does not include Revenue Code and It is not clear that all State (including MDAs) and LGA revenue sources are captured. g) The State Internal Revenue Law does not include Revenue Code. The first and second schedules are a repetition of the Taxes and Levies (Approved for Collection) Act 	Unsatisfactory	The State should have harmonised law to include all sources of Revenue code, Taxes and Levies for the state and local governments
2	Does the consolidated revenue code stipulate that the State	The SBIR Law did not state clearly that the SBIRS is sole collection Agency.	Unsatisfactory	The State should amend its Tax legislation to

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?			make it explicit in the law that the SBIR/SIRS is the sole collector for all State government revenues.
3	Is the collection of revenues is made into accounts(s) nominated by the SBIR OR SBIR has full oversight of the accounts and is responsible for reporting and accounting for the revenues	<p>a. The collection of revenues is made into accounts nominated by NSIRS. Evidence: A letter of authority to open an account named Nasarawa State Government Revenue Reserve Account.</p> <p>b. The NSIRS has full oversight of accounts and is responsible for reporting and accounting for the revenues. Evidence: The screen shot of the state IGR dashboard was obtained.</p>	Satisfactory	
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	The State Internal Revenue Law does not include Revenue Code.	Unsatisfactory	The State should ensure that required amendments to the law are concluded as soon as possible in view of upcoming APAs.
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	<p>a) The teams were able to download and keep a file copy of the law, but the code and rates are not inclusive.</p> <p>b) The Law was downloaded on 3rd September, 2020 at exactly 12:30pm</p> <p>c) Web link to the publication: www.nasarawastate.gov.ng/2018_Reports/.</p>	Unsatisfactory	The State should publish the Revenue sources and rates online.
DLR 4.2	Annual nominal IGR growth rate meets target		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																																								
1	<p>Has the 2019-2018 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: 20%-39% Stretch Target: 40% or more</p>	<p>a) Cash basis of accounting was used for revenue reporting in 2018 and 2019 from the Audited Financial Statements.</p> <p>b) The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1"> <thead> <tr> <th>REPORTING TEMPLATE: OPTION B</th> <th>NGN</th> <th>NGN</th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2018</th> <th>2019</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Reported IGR in AFS (Before Adjustments)</td> <td>N 15,167,369,718</td> <td>N14,584,820,601</td> <td>-4.0</td> </tr> <tr> <td>2. INVALID items to be deducted IF reported as part of IGR</td> <td>N3,323,411,508</td> <td>N3,017,656,180</td> <td></td> </tr> <tr> <td>Paris club refund</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Interest Earned</td> <td>N191,346,638</td> <td>-</td> <td></td> </tr> <tr> <td>Miscellaneous</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Repayments</td> <td>N3,132,064,870</td> <td>N3,017,656,180</td> <td></td> </tr> <tr> <td>3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)</td> <td>N11,843,958,210</td> <td>N11,567,164,421</td> <td>-2.3</td> </tr> </tbody> </table> $\frac{2019 \text{ IGR } N??? - 2018 \text{ IGR } N???}{2018 \text{ IGR } N???} \times 100$ $\frac{N11,567,164,421 - N11,843,958,210}{N11,843,958,210} \times 100 = -2.3 \%$ <p>There was a decline in growth by 2.3%.</p>	REPORTING TEMPLATE: OPTION B	NGN	NGN	% GROWTH	Item	2018	2019		1. Reported IGR in AFS (Before Adjustments)	N 15,167,369,718	N14,584,820,601	-4.0	2. INVALID items to be deducted IF reported as part of IGR	N3,323,411,508	N3,017,656,180		Paris club refund	-	-		Interest Earned	N191,346,638	-		Miscellaneous	-	-		Repayments	N3,132,064,870	N3,017,656,180		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)	N11,843,958,210	N11,567,164,421	-2.3	Unsatisfactory	The State should improve on IGR collection to at least achieve a 20% annual growth rate as the minimum required for this result.
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Source: Year Audited Financial Statement Pg. 8 Note: Further checks were conducted to validate the result. Also note that the sum of N191,346,638 tagged 'Interest earned' and N3,132,064,870 as Repayment was deducted from the balance for the 2019 IGR figure in the above calculation.		
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud				
DLR 5.1	Biometric capture of at least [75] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		Achieved	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 75% of the current civil servants and pensioners on the State payroll?	<p>The State commenced the Biometric data capture of the civil servant in 2014/2015 and is still ongoing, the Biometric for Pensioners is just about to start.</p> <p>a) It was outsourced to Seamfix Nig. Ltd. Abuja. b) The total no of civil servants is 14,185. c) The total no of pensioners is 3,001. d) The total no of staff (employees and pensioners) on the State Nominal roll is 17,186, the total no of staff on the State Payroll is 16,949. e) Biometrics data that has been captured 14,185. f) The documents obtained for the conclusion are one-page progress report on biometric and review of the nominal roll.</p> $\frac{14,185 \times 100}{17186} = 82.5\%$	Satisfactory	The State should ensure pensioners are also captured.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The State had captured 82.5% of the State' civil servants and pensioners.		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<ul style="list-style-type: none"> a) The State commenced and finished the linkage of the biometric data to the payroll in 2015 b) 13,948 staff with biometrics data has been linked to the payroll (but no pensioner has Biometric). c) 292 retired & dead workers were detected during the biometric validations. d) N498,562,474.8 was saved from the retired workers detected. e) There are in-year changes to the civil servant payrolls (as a result of starters, leavers, deaths etc.) are captured by the biometric exercise. Pensioners are yet to be captured by the biometric exercise. f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and death. The documents obtained to support our conclusion are the report of the list of workers terminated. 	Satisfactory	The State should ensure pensioners are also captured.
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<ul style="list-style-type: none"> a) 292 workers were detected during the linkage as staff that have retired/died. b) Summary of Report of Biometric Exercise of Employee in the State payroll as at December 2019. They were all removed within 3months of confirmation c) The payroll figure prior to their removal from payroll was 14,240. d) The payroll figure after they have been removed is 13,948. e) The source(s) of these information is the one-page Progress report on Biometric and BVN. 	Satisfactory	
5.2	Link BVN data to at least [75] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Has the State linked the Bank Verification Number data to 75% of its current Civil Servants and pensioners on the State payroll?	<p>The State commenced the linkage of BVN data of the civil servant and pensioners in 2017 and is still ongoing. It was outsourced to Seamfix Nig. Ltd. Abuja.</p> <p>a) The total no of civil servants is 13,948 b) The total no of pensioners is 3001 c) The total no of staff (employees and pensioners) on the State Nominal roll is 17,186, the total no of staff on the State Payroll is 16,949. d) 15,461 BVN data has been linked to the payroll. e) The documents obtained are the one-page report, the payroll.</p> $\frac{15,461}{16,949} \times 100 = 91.2\%$ <p>The State has linked 91.2% of the State's civil servants and pensioners BVN data to the payroll.</p>	Satisfactory	
2	Has the State taken steps to identify payroll fraud?	<p>a) Staff with BVN data are 15,461 and without BVN data are 1,488 b) No payroll fraud was identified. c) The payroll figure was 15,461 as no ghost workers were identified. d) The source(s) of these information and reference the documents obtained are the one- page progress report on payroll and Biometric, the payroll.</p>	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 with the UNCITRAL Model Law and		Not Achieved	This is a 2020 APA result that has been assessed early as requested by the Programme.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations						
	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 State should ensure the establishment of an independent procurement regulatory agency to effectively carry out the required functions.						
1	Does the State have a public procurement legal framework which must be approved by the State legislature to have a legal basis, either as a law or a resolution?	<p>a) Nasarawa State has a public procurement law (Amended).</p> <p>b) State House of assembly approved the law on the 31st December 2019 and the Governor assented to on the 21st May 2020.</p> <p>c) The date of its online publication is on the 8th July,2020.</p> <p>d) The source of online publication is the State official Website: Nasarawastate.gov.ng</p>	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.	<p>The Nasarawa State Public Procurement Law is structured in line with the UNCITRAL Model but did not meet other DLR requirement. The requirements met are as shown below</p> <p>a) E-Procurement: (Compliant); S.6(1) Para j; The Council shall approve changes in the procurement process to adapt to improvements in modern technology. Compliant; S.6(1) Para k. The Bureau shall introduce, develop, update and maintain related database and technology.</p> <p>b) Establishment of the Public Procurement Agency and the Board is contained in Sections 3 of the Law. (Compliant).</p> <p>2. Independence - The results of our assessment of the legislation for independence are in the table below:</p> <table border="1" data-bbox="730 1253 1304 1422"> <thead> <tr> <th>Required Provisions*</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>The Functions and Powers of the Agency</td> <td>Compliant; see sections - Section 2(pg. 8) and 6(1)</td> </tr> <tr> <td>The composition of the board</td> <td>Compliant; See Section 1(2).</td> </tr> </tbody> </table>	Required Provisions*	Result	The Functions and Powers of the Agency	Compliant; see sections - Section 2(pg. 8) and 6(1)	The composition of the board	Compliant; See Section 1(2).	Satisfactory	
Required Provisions*	Result									
The Functions and Powers of the Agency	Compliant; see sections - Section 2(pg. 8) and 6(1)									
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Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations						
		<table border="1"> <tr> <td>Membership of the Board/Council includes representatives from Professional bodies and associations.</td> <td>Compliant; see sections- 1 (2) Para g</td> </tr> <tr> <td>The grounds for removal of the Chief Executive of the agency.</td> <td>Compliant; see section 8(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 3(5) Para, o.</td> </tr> </table> <p>*Provided by the World Bank</p> <p>3. Establishment of an independent procurement regulatory agency -</p> <p>a) The law provides for the establishment of an independent procurement regulatory agency. sections 3</p> <p>b) The law covers all MDAs receiving funds from State budget - sections - S. 20 (c)</p>	Membership of the Board/Council includes representatives from Professional bodies and associations.	Compliant; see sections- 1 (2) Para g	The grounds for removal of the Chief Executive of the agency.	Compliant; see section 8(4)	Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Compliant; See Section 3(5) Para, o.			
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3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency or any other type of entity set up for the statutory purpose?	The State has not instituted an independent procurement regulatory function; it is a work in progress.		Unsatisfactory	The State should ensure the establishment of an independent procurement regulatory agency to effectively carry out the required functions.						
DLR 6.2	Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in			Not Achieved							

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	OCDS format on [the State website/on the online portal]			
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year(2019) that are above the threshold (as defined in the State procurement law or in the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS).	The State has not achieved the open contracting component of the DLI.	Unsatisfactory	State should adopt the OCDS and publish contract award information online as required under the standard.
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		Not Achieved	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?	<ul style="list-style-type: none"> a) The State has provided copies of their approved state-level public debt legislation. b) Nasarawa State Fiscal Responsibility Commission Law 2013 was approved and assented to by the Governor on 31st December, 2013. c) Nasarawa State Fiscal Responsibility Commission (Amendment) Law 2019 was approved by the House of Assembly on 23rd December, 2019 and assented to by the Governor on 31st December,2019 	Satisfactory	.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	<p>Does the legislation include provisions which establish the following?</p> <p>1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and</p> <p>3) Fiscal and debt rules/limits for the state.</p>	<p>The legislation includes two of the three the required provisions.</p> <p>Overall, the existing public debt legislation (FRCL 2013 and 2019 Amendment) meets criteria # 1 and #3. But it does NOT provide explicit responsibilities for recording and reporting state debt as required by Criterion # 2. Section 2(3) of the Fiscal Responsibility Commission (Amendment) Law, 2019 which introduced section 36(3) only states that “the Commissioner (for Finance) shall be accountable for any loan obtained by the State.” This is too vague to meet criterion #2.</p> <p>a) "The laws include the following provisions:</p> <p>(i) establishing responsibilities for contracting state debt, Nasarawa State Fiscal Responsibility Commission(Amendment) Law 2019, section 2(2) states that “The Commissioner is hereby authorized, subject to the required legislative approval, to raise and contract loan or loans on behalf of the State”.</p> <p>(ii) The Law does not provide explicit responsibilities for recording and reporting state debt</p> <p>(iii) establishing fiscal and debt rules or /limits, Nasarawa State Fiscal Responsibility Commission Law 2013 Section 11(3)(b)(ii) (g), 35(1)(b), 36(1) & 37. Section (35)(1)(b) states that “The State government and the Local Government shall only borrow for capital expenditure and human development, provided that such borrowing shall be on concession terms with low interest rate and with a reasonably long amortization period subject to the approval of the House of Assembly”.</p> <p>b)</p>	Unatisfactory	The Law should provide explicit responsibilities for recording and reporting state debt as required by Criterion

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
4	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt.	<p>a) The State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt.</p> <p>b) Work done: (a) An interview with the Director Debt Management was conducted.</p> <p>(b) The Director Debt Management stated that the department is functioning under the Ministry of Finance and they are responsible for reporting and recording of debt. The department sends a memo to all the MDAs to submit quarterly report on their contractual liabilities to the office of the Accountant General on or before 10th of the month after the end of each quarter. Based on the submission of the report, the debt department will consolidate the figure and prepare their quarterly debt report based on the template given to them by the Federal DMO. He further said that the State prepares draft report and forwards it to the Federal DMO for approval before sending the Final report.</p> <p>(c) A physical inspection of the Department was conducted, and we realized that the department is functioning under the Ministry of Finance.</p> <p>(ii) The department is made up of the Director General with other three (3) staff and twelve (12) Youth Corpers.</p> <p>(iii) The pictures of official premises have been obtained.</p> <p>(d) An interview with a random operational staff was conducted and he stated the process by which he assists the Director debt management in preparing the quarterly debt report.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		(e) Documents reviewed: A letter written to all the MDAs requesting them to submit their quarterly debt report. (ii) Submission of some MDAs quarterly debt report."		
DLR 7.2	Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarters in 2019		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 2019?	<p>a) The State has produced quarterly domestic debt reports approved by the DMO on average of <u>two</u> months after the end of the quarter.</p> <p>We obtained evidence that the State produced quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> • Q1 submitted on (16/05/2019) 6.6 weeks (46 days), • Q2 submitted on (27/08/2019) 8.3 weeks (58 days), • Q3 submitted on (15/11/2019) 6.4 weeks (45 days) • Q4 submitted on (14/02/2020) 6.4 weeks (45 days). $\frac{6.6+8.3+6.4+6.4}{4} = 6.9 \text{ weeks}$ <p>The SDDRs were submitted within an average of 6.9 weeks (49 days).</p>	Satisfactory	
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO:</p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and</p>	We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Nasarawa State Debt Domestic Report and both showed the same amount of ₦56,511,568,599.28 The report was supported with the DMO's templates and guidelines.	n/a	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	guidelines and standard internal protocols and data from CBN, DMO and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.	<p>We reviewed the DMO report and the DMO report confirmed the accuracy and completeness of the State Domestic Debt Report.</p> <p>A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data.</p>		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	<p>Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.</p> <p>AND</p> <p>Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.</p> <p>-Basic target: At least a 5% decline or maintain stock below N5 billion</p> <p>-Stretch target: More than 20% decline</p>	The state has submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR).	Not Achieved	
1	Has the State established an Arrears Clearance Framework (ACF)?	The State has not established an Arrears Clearance Framework (ACF).	Unsatisfactory	The State should establish an Arrears

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
				Clearance Framework (ACF)
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	The State has not established an Arrears Clearance Framework (ACF).	Unsatisfactory	The ACF should contain: 1) Planned actions to settle arrears 2) An explicit prioritization of expenditure arrears to be settled
3	Has the ACF been published on a State official website?	We confirmed that no ACF has been published on a State official website	Unsatisfactory	The State should ensure the ACF is published on her Official website
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The ACF has not been established.	Unsatisfactory	The State should ensure that the clearance of domestic expenditure arrears is consistent with the ACF
5.	Has the State established an Internal Domestic Arrears Database?	The State has not established an Internal Domestic Arrears Database.	Unsatisfactory	a) The state should ensure they establish an internal domestic arrears database. b) The Internal Domestic Arrears Database should include aggregate and individual amounts of contractors' arrears; aggregate amount of pension and gratuity arrears; aggregate amount of salary arrears and other staff claims

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations																	
6	Has the State published online elements of the internal domestic arrears database for the FY 2018 and FY 2019 reported on a State official website, which constitutes the online publicly accessible arrears database?	The State has not published online the required elements of Internal Domestic Arrears Database as at end of 2018 and 2019.			Unsatisfactory	The State should ensure they publish online, elements of the Internal domestic arrears database.																	
7. New	Does the online publication include? 1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding N20million and information for contractors to be able to verify that their claims are being accurately reported in the database.	There is no online publication			Unsatisfactory	a) The State should ensure they publish online lists of contractors with recognized arrears exceeding N20million. b) The state should ensure contractors are able to verify that their claims are accurately reported.																	
New	Has the State met the following: (ii) Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>-</td> <td>-</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>-</td> <td>-</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>-</td> <td>-</td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Domestic Arrears</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	Aggregate Amount of:	2019	2018	Contractors Arrears	-	-	Pension and Gratuity arrears	-	-	Salary arrears and Staff claims	-	-	Other types of domestic expenditure arrears	-	-	Total Domestic Arrears	-	-			
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>-Basic target: At least a 5% year-on-year decline or maintain stock or arrears below N5billion.</p> <p>-Stretch target: More than 20% year-on-year decline.</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of year, compared to the previous year, expressed in percentage terms.</i></p>	The State does not have an internal domestic arrears database.		
DLI 9: Improved Debt Sustainability				
DLR 9.0	<p>Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2019]</p> <p>AND</p> <p>Total debt stock at end Dec [2019] as a share of total revenue for FY [2019] meets target:</p> <p>-Basic target: < [140%]</p> <p>-Stretch target: < [115%]</p>		Achieved	
	<p>Has the State met:</p> <p>(i) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1st January to</p>	<p>The IVA computed the percentage of total monthly service deductions/Gross FAAC Allocation for this year APA.</p> <p>$\frac{\text{Total Service Deduction}}{\text{Gross FAAC Allocation}} \times 100$</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																						
<p>31st December 2019) to the gross FAAC allocation for the same calendar year?</p> <p>Less than :< [40%]</p>	<p>$\frac{N5,436,889,433.50}{N50,281,701,224.65} \times 100 = 10.8\%$</p> <p>Sources; Source: FMoF (FAAC)</p>																								
<p>Has the State met:</p> <p>(ii) the ratio of total debt stock at end-of-year (31st December 2019) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2019)?</p> <p>-Basic target:< [140%] -Stretch target: < [115%]</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p>Total Public Debt</p> <table border="1" data-bbox="646 570 1304 776"> <thead> <tr> <th></th> <th>Financial Statements</th> <th>DMO figures (Adj)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>N36,822,911,441</td> <td>N64,008,606,707</td> </tr> <tr> <td>Total External Debts</td> <td>N17,686,536,859</td> <td>N17,744,525,504.64</td> </tr> <tr> <td>Total Public Debts</td> <td>N54,509,448,300</td> <td>N81,753,132,212</td> </tr> </tbody> </table> <p>Total annual revenue</p> <table border="1" data-bbox="646 865 1268 1045"> <tbody> <tr> <td>2019 Adjusted IGR (see DLI 4.2)</td> <td>N11,567,164,421</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>N49,540,628,695</td> </tr> <tr> <td>Grants</td> <td>N3,822,896,358</td> </tr> <tr> <td>Other Revenues</td> <td></td> </tr> <tr> <td>Total Revenue**</td> <td>N64,930,689,474</td> </tr> </tbody> </table> <p>a. The State's domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2019 is as at the end of Q4 2019.</p> <p>We have computed the total debts stock / Revenue percentage for the 2019 year, as follows:</p> <p style="text-align: center;">$\frac{\text{Total Public Debts}^*}{\text{Total Revenue}} \times 100$</p> <p style="text-align: center;">$\frac{N81,753,132,212}{N64,930,689,474} \times 100$</p>		Financial Statements	DMO figures (Adj)	Total Domestic Debts	N36,822,911,441	N64,008,606,707	Total External Debts	N17,686,536,859	N17,744,525,504.64	Total Public Debts	N54,509,448,300	N81,753,132,212	2019 Adjusted IGR (see DLI 4.2)	N11,567,164,421	Gross FAAC Allocation	N49,540,628,695	Grants	N3,822,896,358	Other Revenues		Total Revenue**	N64,930,689,474	<p>Satisfactory</p> <p>Basic Target met</p>	
	Financial Statements	DMO figures (Adj)																							
Total Domestic Debts	N36,822,911,441	N64,008,606,707																							
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p style="text-align: center;">N64,930,689,474</p> <p style="text-align: center;">=126%%</p> <p>The State met the basic target.</p> <p>Sources:</p> <p>For Total Revenue 2019 Audited Financial Statement, Pgs 8 & 12.</p> <p>*Table 3 below holds a breakdown of the Total Debt. **Table 3(ii) holds the breakdown of Revenue</p> <p>b. The debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) is N81,753,132,212 while the debt stock stated in the audited financial statements is N54,509,448,300</p> <p>c. There is a difference of N27,243,683,912</p> <p>d. The difference has been calculated in value and percentage terms</p> <p style="padding-left: 40px;">(i) Difference in value- N27,243,683,912</p> <p style="padding-left: 40px;">(ii) Difference in percentage:</p> <p style="padding-left: 40px;">$\frac{N81,753,132,212 - N54,509,448,300}{N81,753,132,212} \times 100$</p> <p style="padding-left: 40px;">=33%</p> <p>e. The SDEDR was amended and resubmitted to the IVA along with explanations for any changes.</p>		

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

NASARAWA STATE	AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,081,217,713
BAIL OUT (SALARIES) (SOURCE CBN)	7,556,476,201
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,150,580,145
STATE BONDS	6,057,564,292
COMMERCIAL BANK LOANS	-
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOANS (CBN FACILITIES)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	-
JUDGEMENT DEBTS	51,468,830
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	8,654,493,787
PENSION AND GRATUITY ARREARS	11,456,805,740
SALARY ARREARS AND OTHER CLAIMS	-
OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	64,008,606,707
TOTAL EXTERNAL DEBT (TED)	17,744,525,505
TOTAL PUBLIC DEBT (TED+TDD)	81,753,132,212

TABLE 3(ii): DLI 9 31 DECEMBER 2019 REVENUE FOR NASARAWA STATE

	NGN
Item	2019
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	49,540,628,695
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	39,169,196,011
1.1.1 Gross statutory allocation	37,972,811,519
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	1,196,384,492
1.2 VAT	10,371,432,684
2. Internally Generated Revenues (IGR) - Adjusted	11,567,164,421
3. Grants (internal and external)	3,822,896,358
4A. Other revenues (4.1 + 4.2 + 4.3)	
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	
4.3 Repayments	
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	N64,930,689,474

4. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p>DLR 3.2 The Nasarawa State Cash Management Strategy has been in use since 2016. However, the Cash Management Strategy was not signed and dated until the arrival of the IVA Team APA 2019 that advised that the strategy should be signed and dated accordingly. The Governor, Honourable Commissioner Ministry of Finance and the State Accountant General acted on the advice of the IVA Team and signed on 2nd July, 2020.</p> <p>DLR 3.5 The IVA Team will recall the submission of all Nasarawa State Government Accounts submitted to the IVA Team during 2019 APA which include all reserved accounts and direct labour account opened to mitigate the effect of garnishee orders meted on the State by Courts' injunction, which copies were submitted to the IVA Team. The secretariat observed that the two accounts were not considered in the computation of TSA dedicated account in comparison with State Government Financial Transactions. In view of the forgoing the IVA Team is requested to consider the transactions done via the two accounts alongside the CRF account and recalculate our performance accordingly. Attached are the details of the two accounts to be considered for re-computation. Attached are samples of Cash flow forecast previously used before the 2019 APA</p>	<p>As at 2018 APA, it was reported that the State has no cash management strategy in place. For the 2019 APA, the Strategy was produced in 2020 and will count towards the next APA. The result was not achieved.</p> <p>The IVA obtained the State TSA bank statements and the audited financial statement for the year ended 31st December 2019, and these were used for the bases of DLI 3 computation. Please note the assessment calculation relies on totals of amounts that flowed through the TSA (Inflows and Outflows), and not on balances held in reserve accounts or any other accounts.</p> <p>The result is not achieved.</p>

Appendix A

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

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

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

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

Eligibility Criteria 2019 Part I - The online publication of Approved Budgets for 2020 by 31st January 2020

Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
http://www.nasarawa.state.gov.ng/2020%20Budget/	A search was done on the Nasarawa State website	The 2020 Budget was published on the State Official website, a copy was downloaded. There was no evidence of the 2020 Budget being signed by the Governor.	A request was made on 09/01/2020 to the focal persons to provide evidence of the Governor's assent. This was subsequently received via email.	EC met

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

Eligibility Criteria 2019 Part 2 - The online publication of Audited Financial Statements for FY2018 by 30th September 2019

Source(s)	Initial Work Done	Initial Comments / Observation	Follow up	Final Assessment
http://www.nasarawastate.gov.ng/# https://www.nasarawastate.gov.ng/accountant-generals-financial-reports/ https://www.nasarawastate.gov.ng/state-auditor-generals-report/	A search was done on the Nasarawa State website and the Audited Financial Statements were downloaded separately ¹	Nasarawa State split their Audited Financial Statements into segments which were downloaded separately.	N/A	EC met

Tests/checks performed	Results	Areas for improvement
Were the Financial Statements (FS) for 2018 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)	Yes	None
Were the Financial Statement for 2018 available published online before 30th September 2019?	Yes	None
Are the published financial statements clear and legible?	Yes	None
Can the Financial Statements be downloaded?	Yes	The audited financial statements should be merged and published as a single file.
Do we have evidence of audit by the State Auditor-General?	Partly ²	The audited financial statements should be published online with the approved and dated audit certificate from the State Auditor-General.
Are the financial statements complete, including primary statements and disclosure notes?	Yes	None
Are there any indications that balances within the financial statements are not credible	n/a	Please see the 2018 APA Report

¹ A further check was done on the website on 15/05/2020 and the 2018 Audited FS could no longer be found.

² No Audit certificate was seen online and the Audit certificate in the hard copy provided during the 2018 APA was not dated.