



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

2018 Annual Performance Assessment (APA) Report

NIGER STATE

By:

**The Office of the Auditor-General for the Federation as the SFTAS Independent Verification Agent
with support from JK Consulting Co. Ltd**



March 2020

Table of Contents

1. Executive Summary	3
2. Introduction	6
2.1 Overview	6
2.2 Scope	6
3. Assessment Results	7
3.1 Findings	7
4. Response from the State	21
Appendix A - Report on the achievement of the Eligibility Criteria for 2018	23

1. Executive Summary

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

Table 1 (below) reflects the outcome of the 2018 APA for Niger State and shows areas where the state was able to achieve results. In total, Niger State achieved **seven (7)** DLRs out of 14 DLRs.

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

1. DLR 1.1: Quarterly budget implementation reports are published within the time limits stipulated for this result (4 weeks from each quarter-end for 2020 onwards).
2. DLR 2.1: Minutes of the public consultation on the annual budget are posted on the State’s website before or alongside the publication of the approved budget.
3. DLR 3.0: A formally approved cash management strategy is in place and TSA covers all the State Government’s finances, in particular FAAC allocations and all IGR.
4. DLR 4.1: The State Revenue code states all types of revenue, including all State and Local Government level revenue.
5. DLR 6.2: Contract award information above the set threshold is published online, on a monthly basis, and in the OCDS format on the State’s website.
6. DLR 7.1: Debt Management and Fiscal Responsibility Laws are amended to provide for the responsibilities for recording/reporting State debt.
7. DLR 8: A Domestic Arrears Clearance Framework (ACF) is established as well as an internal domestic arrears database with relevant balances published online.

Table 1: Assessment Results

Key:	Achieved		Not Achieved	
-------------	----------	----------------------------------------------------------------------------------------------------	--------------	--

Disbursement Linked Indicators	Disbursement Linked Results (2018)	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY18 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		Q1, Q2, Q3 and Q4 were published after the due dates.
	DLR 1.2: FY18 deviation for total budget expenditure is < 30%		Budget deviation was 26%
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 FY19 budget		Minutes of public consultations were not published online.
DLI 3: Improved cash management and reduced	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 50		TSA covered 9.51% of the State Government finances.

Disbursement Linked Indicators	Disbursement Linked Results (2018)	Results	Remarks
revenue leakages through implementation of State TSA	percent of state government finances implementation of State TSA		
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: Consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting approved by the state legislature and published		The State revenue code should include all the State's IGR sources and rates.
	DLR 4.2: 2018-2017 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more	Stretch Target Achieved	Annual nominal growth rate was 80%.
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 60 percent of current civil servants completed and linked to payroll, and identified ghost workers taken off the payroll		100% Biometrics were captured and linked to payroll.
	DLR 5.2: Link BVN data to at least 60 percent of current civil servants on the payroll and payroll fraud addressed		98.2% BVN data were linked to the 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 board; and 3) Cover all MDAs receiving funds from the state budget.		The State Procurement Law 2010 conforms with the UNCITRAL Model law.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2018 on a monthly basis in OCDS format on the state website		Contract award information was not published on the State's website in the OCDS format
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: Approval of state-level legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		Law has no provisions specifying the responsibilities for recording/reporting State debt
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018		DMO reports confirmed that the State submitted the quarterly reports within the stipulated timeline.
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.		There was no Arrears Clearance Framework established.
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2018, and Total debt stock at end of December 2018 as a share of total revenue for FY2018 meets target: Basic target: < 150%, Stretch target: < 125%.	Stretch target Achieved	Average monthly debt service deduction was 11.2% and debt to revenue ratio was 82%.

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

2. Introduction

2.1 Overview

The Federal Government of Nigeria is implementing a four-year States Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results. The Project Development Objective is to strengthen the fiscal transparency, accountability and sustainability in Nigerian states. 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 Grants by meeting the Eligibility Criteria and any or all the Disbursement Linked Indicators (DLIs).

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

2.2 Scope and APA Process

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

The verification protocol was set early in the preparation of the Program and all States, implementing agencies and other key stakeholders have been continuously sensitised on the requirements of the program and on the protocol from 2018. The assessment results are binary (pass or fail), as that is how the Program for Results component was designed.

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

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2018] 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 within six weeks of the end of each quarter?	<p>This DLR was assessed based on the last two quarters of 2018 as per the verification protocol.</p> <p>The hard copies of the quarterly implementation budget were received and collated as per the verification protocol.</p> <p>It was observed that none of the quarterly budget implementation reports was published within six weeks of the end of each quarter on the State official website as Q1, Q2, Q3 and Q4 were published on 5th December 2019. https://www.nogp.ng/</p>	Unsatisfactory	The State should publish quarterly budget implementation reports immediately after the end of each quarter.
2	Does the reports include, at a minimum, the approved budget appropriation for the year for each organizational unit (MDAs), and for each of the core economic classifications of expenditure (Personnel, Overheads, Capital, and Other expenditures)?	The review of the quarterly budget implementation reports contained the required minimum expenditure of the core economic classifications -Personnel, Overheads, Capital and Other Expenditures- and for each organizational Units, MDAs.	Satisfactory	
3	Does the report state the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as	The reviewed reports stated 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.	Satisfactory	

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations												
	the cumulative expenditures for year to date?															
4	Does the report State balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	The reports showed the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the three (3) expenditure classifications and 'Other Expenditures' which included debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory													
DLR 1.2	FY [2018] deviation from total budget expenditure is less than 30%		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? Is the expenditure outturn deviation computed less than 30%	The State computed the expenditure Outturn deviation for the year 2018 as 36.6%. The IVA computed the expenditure outturn deviation to be 26% . See computations below: <table border="1"> <thead> <tr> <th>Desc.</th> <th>Budget</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Capital Exp.</td> <td>81,042,208,585.00</td> <td>33,983,514,882.09</td> </tr> <tr> <td>Recurrent Exp</td> <td>56,314,445,766.47</td> <td>68,071,361,007.67</td> </tr> <tr> <td>Total</td> <td>137,356,654,351.47</td> <td>102,054,875,889.76</td> </tr> </tbody> </table> $\frac{N137,356,654,351.47 - N102,054,875,889.76}{N137,356,654,351.47} \times 100 = \underline{\underline{26\%}}$ Source: Financial Statements pg50 and pg. 51.	Desc.	Budget	Actual	Capital Exp.	81,042,208,585.00	33,983,514,882.09	Recurrent Exp	56,314,445,766.47	68,071,361,007.67	Total	137,356,654,351.47	102,054,875,889.76	Satisfactory	
Desc.	Budget	Actual														
Capital Exp.	81,042,208,585.00	33,983,514,882.09														
Recurrent Exp	56,314,445,766.47	68,071,361,007.67														
Total	137,356,654,351.47	102,054,875,889.76														
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process																

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2019] budget		Not 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?	The State conducted at least one "town hall" meeting and the minutes were signed by the relevant stakeholders.	Satisfactory	
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and signposted on the home page of the website to enable citizens to find the inputs easily?	The documents submitted by the State revealed the minutes of the public consultations were jointly prepared with CSO representatives (showed by their signature to the minutes) but were not published online.	Unsatisfactory	The State should publish the signed minutes of public consultations on the budget online.
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 implementation of State TSA		Not Achieved	
1	Has the State established a functional State-level TSA?	The State main IGR Account (refer to as the TSA) is with the First Bank, where all revenue are swept into from all revenue receiving banks. We had visual observation of Niger State TSA dashboard and took the screenshot.	Satisfactory	
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.	The State did not provide cash management strategy for review. There was no evidence of a TSA Policy and Operations Manual to show that 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.	Unsatisfactory	The State should put a cash management strategy in place to enhance forecasting of cash commitments and requirements and provide reliable information on the availability of funds.

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations															
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 visual observation of Niger State TSA showed a system of cash management that allowed for a central view of cash balances in bank accounts on a single electronic dashboard.	Satisfactory																
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.	Our visual observation of Niger State TSA revealed that the state has 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 with First Bank as part of the TSA via NIBSS terminals. We noted however that this does not include revenues from FAAC.	Satisfactory	The State should maintain one Treasury Single Account for all Government revenues including FAAC allocations.															
5	Does the TSA cover a minimum of 50% of the State Government's finances?	<p>The State's Audited Financial Statements for the year ended 31st December 2018 and the State TSA account from First Bank Statement showed that:</p> <table border="1"> <thead> <tr> <th></th> <th>Outflow</th> <th>Inflow</th> </tr> </thead> <tbody> <tr> <td>TSA (IGR) Bank Statement</td> <td>7,047,563,192.44</td> <td>7,007,357,202.33</td> </tr> <tr> <td>Financial Statement (Pg.50)</td> <td>58,108,219,751.71</td> <td>102,052,559,353.76</td> </tr> <tr> <td>Percentage</td> <td>12.12%</td> <td>6.9%</td> </tr> <tr> <td>Average rate</td> <td colspan="2" style="text-align: center;">9.51%</td> </tr> </tbody> </table> <p>The TSA cover is 9.51% of the State Government finances.</p> <p>Source: Audited Financial Statement and TSA (First Bank Account).</p>		Outflow	Inflow	TSA (IGR) Bank Statement	7,047,563,192.44	7,007,357,202.33	Financial Statement (Pg.50)	58,108,219,751.71	102,052,559,353.76	Percentage	12.12%	6.9%	Average rate	9.51%		Unsatisfactory	The State should ensure that all government finances, including FAAC revenue, pass through the TSA.
	Outflow	Inflow																	
TSA (IGR) Bank Statement	7,047,563,192.44	7,007,357,202.33																	
Financial Statement (Pg.50)	58,108,219,751.71	102,052,559,353.76																	
Percentage	12.12%	6.9%																	
Average rate	9.51%																		
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection																			
DLR 4.1	Consolidated State revenue code covering all State IGR sources and		Not Achieved																

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
	stipulating that the State bureau of internal revenue is the sole agency responsible for State revenue collection and accounting approved by the State legislature and published			
1	Does the State have up-to-date consolidated revenue code which includes all the State's IGR sources and all the Local Governments (falling under that State) IGR sources? IGR sources include presumptive tax, indirect taxes and levies (roads, hotels), fines, fees and charges. Personal income tax, including PAYE, which is collected by the State and covered by the federal tax code.	<p>No schedule of MDA revenues and rates.</p> <p>The team was provided with an up-to-date consolidated revenue code, Gazette No2 Minna dated 19th May 2017 Vol 22, (<i>A Law to harmonize the rates and levies for collection by Local Governments in Niger State</i>) whereby page A9 ("First Schedule List of Levies - on pages A9-A12") includes presumptive tax, indirect taxes and levies (roads, hotels), fines, fees and charges, personal income tax, including PAYE, which are collected by the State and covered by the federal tax code. However, these are for LGAs, not state-level MDAs and are not MDA specific. They therefore count for LGA Rates and sources, but not MDAs.</p>	Unsatisfactory	The State revenue code should include all the State's IGR sources and the rates should also be published.
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?	Section 11(g) of the Gazette No2 Minna dated 19th May 2017 Vol 22, Gazette (<i>A Law to harmonize the rates and levies for collection by Local Governments in Niger State</i>) specifies that the Board is responsible for 'ensuring the effective and optimum collection of all revenue including levies and penalties due to the Government under relevant Federal and State laws'.	Satisfactory	
3	Is Collection of revenues made into accounts nominated by the SBIR for the SBIR to be deemed responsible for collection?	Section 28 of the Gazette No2 Minna dated 19th May 2017 Vol 22, Gazette (<i>A Law to harmonize the rates and levies for collection by Local Governments in Niger State</i>) specifies that the either the Board or Local Government Chairman can designate accounts for revenues to be paid into. This has been interpreted to	Satisfactory	

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
		<p>mean the Board nominates accounts for State Revenues and the LGA Chairman nominates accounts for LGA Revenues. This interpretation is made on the basis that it is unlikely LGA Chairmen will read the provision in any other way.</p> <p>The team also obtained SBIR TSA Bank Statement for the year 2018 which is domiciled by First Bank Plc with Account number 2026999065 and saw revenue monthly reports to the State Ministry of Finance that included SBIR Revenue Cost of Collection.</p>		
4	<p>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.</p>	<p>The state provided two gazettes in respect of this DLI which are Gazette No 2 2017 Vol 22, (<i>A Law to harmonize the rates and levies for collection by Local Governments in Niger State</i>) dated 19th May, and Gazette No1 Vol 17 (<i>A law to make provisions for the collection and administration of revenues due to the Government of Niger State and to Local Government Councils in Niger State and for other connected purposes</i>) dated 15th January, 2013. Both indicate legislative approval.</p>	Satisfactory	
5	<p>Is the Publication published online, so it is automatically available to the public/all taxpayers?</p>	<p>The State Official Website revealed that the approved Revenue codes via Gazette No2 Minna dated 19th May 2017 Vol 22, Gazette (<i>A Law to harmonize the rates and levies for collection by Local Governments in Niger State</i>) were published online on 5th December 2019. This is post 2018 APA/IVA events and can't be used for 2018 assessment.</p>	Unsatisfactory	<p>The State should maintain the online publication of the laws and ensure the Revenue Code for State level MDAs is also published.</p>
DLR 4.2	Annual nominal IGR growth rate meets target		Achieved Stretch target	

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations																		
1	<p>Has the 2018-2017 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20%-39%, Stretch Target: 40% or more</p>	<p>The computation excluded Refund of 7.5% under "Others" of N4,882,949,283.78. The items re-classified were stated as contained in Note 3 of 2018 Audited Financial Statements. Also, the "others" for year 2017 totalling N387,118,501.65 was captured as relevant for these computations, though, the breakdown was not provided in 2018 Audited Financial Statements (See Note 3).</p> <p>IGR Adjustments:</p> <table border="1"> <thead> <tr> <th></th> <th>2018</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Direct Taxes</td> <td>10,722,265,352.76</td> <td>5,324,515,748.40</td> </tr> <tr> <td>Licenses</td> <td>136,851,074.01</td> <td>262,964,866.26</td> </tr> <tr> <td>Fines & Fees</td> <td>20,035,055.00</td> <td>58,565,228.40</td> </tr> <tr> <td>Others</td> <td></td> <td>387,118,501.65</td> </tr> <tr> <td>Total</td> <td>10,879,151,481.77</td> <td>6,033,164,344.71</td> </tr> </tbody> </table> <p style="text-align: center;"> $\frac{N10,879,151,481.77 - N6,033,164,344.71}{N6,033,164,344.71} \times 100$ = 80% </p> <p>The growth rate is 80%.</p>		2018	2017	Direct Taxes	10,722,265,352.76	5,324,515,748.40	Licenses	136,851,074.01	262,964,866.26	Fines & Fees	20,035,055.00	58,565,228.40	Others		387,118,501.65	Total	10,879,151,481.77	6,033,164,344.71	Satisfactory	
	2018	2017																				
Direct Taxes	10,722,265,352.76	5,324,515,748.40																				
Licenses	136,851,074.01	262,964,866.26																				
Fines & Fees	20,035,055.00	58,565,228.40																				
Others		387,118,501.65																				
Total	10,879,151,481.77	6,033,164,344.71																				
DLI 5: Biometric registration and bank verification number (BVN) used to reduce payroll fraud																						
DLR 5.1	Biometric capture of at least [60] percent of current civil servants completed and linked to payroll, and identified ghost workers taken off the payroll		Achieved																			
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 60% of the current civil servants on the State payroll?	<p>The total number of Civil Servants in Niger State as at 31st December 2018 is 26,957 and they have all been captured in the Biometric exercise.</p> <p>Percentage captured (100%), is more than the required level of 60%. These figures were obtained from the</p>	Satisfactory																			

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
		Report of Staffs Biometric registration and bank verification number (BVN) from Niger State SFIMIS back end.		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	Evidence showed that the State linked the biometrics data to the state payroll to identify ghost workers. Also, as this established that staff's salary were stopped/staff removed during the year 2018. The team obtained the screen shots of the displayed biometric data capture as the officers demonstrated questioning the software whereby the passport photograph, fingers' prints, personal data and bank account details were revealed which we compared with details on the payroll as well.	Satisfactory	
3	Has the State removed confirmed ghost workers within three (3) months of each case being confirmed?	Our review of the monthly deletion summary from the SIFMIS of Niger State confirmed the removal of ghost workers within three (3) months during the year.	Satisfactory	
DLR 5.2	Link BVN data to at least [60] percent of current civil servants on the payroll and payroll fraud addressed		Achieved	
1	Has the State linked the Bank Verification Number data to 60% of its current Civil Servants to the State payroll?	<p>The Report of Staff Biometric registration and bank verification number (BVN) from Niger State SFIMIS from back end revealed 26,957 staff captured as contained in the "Niger State Staff Nominal Roll December 2018 - (with BVN)". The report showed Niger State Civil Servants with or without BVN as a full list and with Bank Accounts – all as at the 31st December, 2018 pay roll.</p> <p>The team obtained the State Staff Nominal Roll which revealed the data of each staff, including their MDA, Bank Account details and BVN. It means 100% (26,957/26,957* %) of the current civil servants' biodata were captured and this is greater than 60% required by the DLI.</p>	Satisfactory	
2	Has the State taken steps to identify payroll fraud?	The Report of Staff Biometric registration and bank verification number (BVN) from Niger State SFIMIS from	Satisfactory	

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
		back-end revealed 26,957 staff captured as contained in report – “Niger State Staff Nominal Roll December 2018 - (with BVN)”. All the staff had BVNs linked while 26,473 staff were paid on the December 2018 pay roll. i.e. less than the number for which biodata and BVN were linked to payroll. We are therefore satisfied the State has taken steps to identify payroll fraud.		
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 provide for: 1) eProcurement; 2) establishment of an independent procurement board and 3) cover all MDAs receiving funds from the State budget		Achieved	
1	Does the State have a public procurement legal framework which must be approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval of the public procurement legal framework shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	The State Council on Public Procurement and The Public Procurement Board and other matters connected Law, 2010 was assented to by the Governor on 23 rd September 2010.	Satisfactory	
2	Does the law conform with the UNCITRAL Model Law which should provide for; (1) eProcurement, (2) establishment of an independent procurement board; and (3) cover all	1. On e-procurement: The law empowers the Council to approve changes in the procurement process to adapt to improvements in modern technology. S. 3(e) and, the Board to introduce/maintain related database and	Satisfactory	The Council/Board should issue e-procurement guidelines.

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations												
	MDAs receiving funds from the State budget.	<p>technology and establish a single internet portal. S. 6(1)(h)(q)(r).</p> <p>2. On establishment of an independent board, the result of our assessment is in the table below:</p> <table border="1" data-bbox="743 363 1400 899"> <thead> <tr> <th data-bbox="743 363 1138 402">Required provisions*</th> <th data-bbox="1138 363 1400 402">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="743 402 1138 469">The functions and Powers of the Agency</td> <td data-bbox="1138 402 1400 469">Complies; see section 6 and 7</td> </tr> <tr> <td data-bbox="743 469 1138 535">The composition of the Board</td> <td data-bbox="1138 469 1400 535">Compliant; see section 2(2)</td> </tr> <tr> <td data-bbox="743 535 1138 625">Membership of the board/council includes representatives from professional bodies/associations</td> <td data-bbox="1138 535 1400 625">Compliant; see section 2(2)(f).</td> </tr> <tr> <td data-bbox="743 625 1138 781">The grounds for removal of the Chief Executive of the agency.</td> <td data-bbox="1138 625 1400 781">Compliant; the grounds for the removal of the DG is specifically provided for. See section 8(4) of the Law.</td> </tr> <tr> <td data-bbox="743 781 1138 899">That decisions of the Agency or Board are not subject to review or approval of any person except for judicial review</td> <td data-bbox="1138 781 1400 899">Compliant; see section 56(8) of the law.</td> </tr> </tbody> </table> <p>*Provided by the World Bank.</p> <p>3. The law applies to all procurement of goods, works and service carried out by the state government, local governments and all procurement entities. S. 16(1). The law is modelled after the UNCITRAL Model Procurement Law of 2011.</p>	Required provisions*	Result	The functions and Powers of the Agency	Complies; see section 6 and 7	The composition of the Board	Compliant; see section 2(2)	Membership of the board/council includes representatives from professional bodies/associations	Compliant; see section 2(2)(f).	The grounds for removal of the Chief Executive of the agency.	Compliant; the grounds for the removal of the DG is specifically provided for. See section 8(4) of the Law.	That decisions of the Agency or Board are not subject to review or approval of any person except for judicial review	Compliant; see section 56(8) of the law.		
Required provisions*	Result															
The functions and Powers of the Agency	Complies; see section 6 and 7															
The composition of the Board	Compliant; see section 2(2)															
Membership of the board/council includes representatives from professional bodies/associations	Compliant; see section 2(2)(f).															
The grounds for removal of the Chief Executive of the agency.	Compliant; the grounds for the removal of the DG is specifically provided for. See section 8(4) of the Law.															
That decisions of the Agency or Board are not subject to review or approval of any person except for judicial review	Compliant; see section 56(8) of the law.															
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: board, bureau, commission, council, agency or any other type of entity set up for the statutory purpose?	The law establishing the State Council on Public Procurement and the Public Procurement Board and other matters connected Law 2010 and it came into operation on the 23 rd day of September 2010. Niger State Public Procurement Law showed that the State instituted an independent procurement regulatory body, which functions through the Public Procurement Board.	Satisfactory													

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
		The team visited the State Procurement Bureau and held interactions/meeting with the Chief Executive and management staff and selected at random a review of records that demonstrate the agency has been active.		
DLR 6.2	Publish contract award information above a threshold set out in the Operations Manual on a monthly basis in OCDS format on [the State website/ on the online portal]		Not Achieved	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year that are above the threshold (as defined in the State procurement law or in the State procurement regulation(s)), in line with the Open Contracting Data Standards (OCDS). For 2018, States can publish the information on the State official website or online portal if already established.	There was no publication online in respect of contracts awarded during the fiscal year in line with the Open Contracting Data Standards. During the team’s visit to the Public Procurement Board, the Chairman could not establish the existence of such publication online.	Unsatisfactory	The State should publish online, contract award information for all contracts awarded during the fiscal year that are above the threshold (as defined in the state procurement law or in the state procurement regulation(s)), in line with the Open Contracting Data Standards (OCDS).
DLI 7: Strengthened public debt management and fiscal responsibility framework				
DLR 7.1	Approval of State-level public debt legislation, which stipulates: 1) responsibilities for contracting State debt; 2) responsibilities for recording/reporting State debt; and 3) fiscal and debt rules/limits		Not Achieved	

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
1	Is there an Approved State-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?	<p>The IVA team was given Niger State Fiscal Responsibility Law, the State Public Debt Management Law and the organic PFM Law.</p> <p>A law to provide for the establishment of Fiscal Responsibility Commission and for other connected purpose. "A law to provide for establishment of Fiscal Responsibility Commission and for other connected purposes 2010" enacted by the House of Assembly on 23rd September 2010. It was assented to by the Governor on 30th September 2010.</p> <p>Niger State Fiscal Responsibility Law, Gazette No 13 of 30th October 2010 Vol. 15.A law to provide for the Control, Regulation and Management of Public Finances of the Government of Niger state.</p> <p>The review of these laws showed that the State has Approved state-level public debt legislation.</p>	Satisfactory	
2	Does the legislation include provisions which establish the following: (1) Responsibilities for contracting State debt; (2) Responsibilities for recording/reporting State debt; and (3) Fiscal and debt rules/limits for the State.	The State Public Debt Management Law and Niger State Fiscal Responsibility Law did not specify the responsibilities for recording/reporting State debt.	Unsatisfactory	The State laws should be amended to include provisions specifying the responsibilities for recording / reporting State debt
DLR 7.2	Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018		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 2018?	<p>This DLI was assessed based on Q4 only, as the revised report template and DMO verification protocols were only implemented in Q4 2018.</p> <p>The State produced quarterly State Domestic Debt Reports (SDDR) been despatched to DMO with evidence of acknowledgement receipts on average of one month</p>	Satisfactory	

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
		<p>after the end of each quarter in 2018. As confirmed by DMO are these: Q1-23/4/18 – 3.2weeks Q3-30/10/18 – 4.2weeks Q4-30/1/19 – 4.2weeks The DMO reports confirmed that the State submitted the quarterly reports within the stipulated timeline.</p>		
2	<p>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.</p>	<p>We reviewed the DMO report and the DMO report confirmed the accuracy 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>	Satisfactory	
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears				
DLR 8.0	Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.		Not Achieved	
1	Has the State established an Arrears Clearance Framework (ACF)?	Niger State has not established an Arrears Clearance Framework but on a yearly basis reflects its commitment for settling debts in the Approved budget by setting aside an appropriation to repay debts.	Unsatisfactory	The State should establish an Arrears Clearance Framework.

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	Niger State has not established an Arrears Clearance Framework.	Unsatisfactory	The ACF should contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled
3	Has the ACF been published on a state official website?	See above	Unsatisfactory	See above
4	Has the State established an Internal Domestic Arrears Database?	Niger State has not established an Internal Domestic Arrears Database.	Unsatisfactory	The State should establish an Internal Domestic Arrears Database
5	Has the State published online elements of the internal domestic arrears database on a state official website, which constitutes the online publicly accessible arrears database?	See above	Unsatisfactory	See above
DLI 9: Improved debt sustainability				
DLR 9.0	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2018] AND Total debt stock at end Dec [2018] as a share of total revenue for FY [2018] meets target: Basic target: < [150%], Stretch target: < [125%]		Achieved Stretch Target met	

Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31st December 2018) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2018)? - Basic target:< [150%], -Stretch target: < [125%]</p>	<p>Computation Using the DMO Debt Stock Figure</p> <p>FAAC Allocations: N86,502,545,144.57 IGR - <u>N10,879,151,481.17</u> Total Revenue <u>N97,381,696,625.74</u> Debt Stock (DMO Data) - N62,201,182,999.98*</p> $\frac{N62,201,182,999.98}{N97,381,696,625.74} \times 100$ <p>Total Debt/Revenue is 65%</p> <p>*Table 3 below holds a breakdown of the Total Debt</p> <p>Source of Data: Home Office, Ministry of Finance and Debt Management Office and Audited Financial Statement Pg,50</p>	Satisfactory	
<p>Has the State met:</p> <p>(ii) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1st January to 31st December 2018) to the gross FAAC allocation for the same calendar year. Less than :< [40%]</p>	<p>Computation Using the total deductions</p> <p>Total Debt service deduction - <u>N7,221,248,262</u> Gross FAAC Allocations - N64,729,332,635</p> $\frac{N7,221,248,262}{N64,729,332,635} \times 100$ <p>= 11.2%</p> <p>Source of Data: Home Office, Ministry of Finance.</p>	Satisfactory	

TABLE 3: DLI 9 31 DECEMBER 2018 STATE DEBT STOCK TABLE FOR NIGER STATE

NAIRA	NIGER
1. BUDGET SUPPORT LOAN (SOURCE FMOF)	16,869,000,000
2. BAIL OUT (SALARIES) (SOURCE CBN)	6,364,393,427
3. RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
4. EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,333,333,333
5. STATE BONDS	6,300,791,847
6. COMMERCIAL BANK LOANS	401,233,620
7. CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	1,305,843,980
8. BAIL-OUT (INFRASTRUCTURE)	-
9. MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF) (SOURCE CBN)	2,000,000,000
10. JUDGEMENT DEBTS	-
11. GOVT - GOVT DEBTS	-
12. CONTRACTORS' ARREARS	-
13. PENSION AND GRATUITY ARREARS	793,565,887
14. SALARY ARREARS AND OTHER CLAIMS	-
15. OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	43,368,162,094
TOTAL EXTERNAL DEBT (TED)	18,833,020,906
TOTAL PUBLIC DEBT (TED+TDD)	62,201,183,000

Table Notes

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

4. Responses from the State

State should please use the box below for responses.

States Response to Draft APA Report	IVA Response / Treatment
The State is satisfactory convinced with the objective assessment of our performance on the DLRs as contained in the Draft Report, we hold no-objection to the ratings as they were clear statements of the fact in the first year of the project (2018). However, the observed gaps have been addressed against the 2019 DLRs which shall be verified by the team coming for the next assessment (2019).	Noted with thanks.

Appendix A

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

Niger State

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

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

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

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

Overview				
Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
https://nogp.ng/sd_m_downloads/niger-state-approved-2019-budget/	A search was done on Niger State website	The 2019 Budgets were published on the State Official website, a copy was downloaded. There's evidence of 2019 Budgets being signed by the governor.	N/A	EC was met

Tests/checks performed	Results	Areas for improvement
Is the approved budget for 2019 available on any of the State Government Websites?	Yes	None
Was the approved budget published online before 28 February 2019?	Yes	None
Is the published budget clear and legible?	Yes	None
Can the budget be downloaded?	Yes	None

Do we have evidence of assent by the Governor?	Yes	None
-------------------------------------------------------	-----	------

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

Source(s)	Initial Work Done	Initial Comments/Observation	Follow up	Final Assessment
https://finance.ministryng.org/sdm_downloads/2017-audited-account-niger-state/ www.financeministryng.org www.nogp.ng	A search was done on Niger State website	The Financial Statements published does not contain an Audit Certificate. The Financial Statement is on a Microsoft Excel sheet and can be edited.	An email was sent to the State Focal persons on 30/01/2019 concerning the Financial Statements Published without an audit certificate	EC met The State Focal persons responded on 30/01/2019 providing an attached document of the audit certificate published on The Nation newspaper published 13/9/18.

Tests/checks performed	Results	Areas for improvement
Were the Financial Statements (FS) for 2017 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)	Yes	
Were the Financial Statement for 2017 available published online before 31 December 2018?	Yes	
Are the published financial statements clear and legible?	Yes	
Can the Financial Statements be downloaded?	Yes	The Financial Statements should be uploaded in a pdf format to ensure they are not editable.
Do we have evidence of audit by the State Auditor-General?	Yes	Audit certificate was later received. It should be published with the Financial Statements at the time of online publication
Are the financial statements complete, including	Partly	See above.

primary statements and disclosure notes?		
Are there any indications that balances within the financial statements are not credible	Partly	<ul style="list-style-type: none"> i. Within Assets & Liabilities/Debt item, “Debt data does not match DMO sources” ii. Only 2017 information is provided in the Financial Statements – no comparatives.