



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

2020 Annual Performance Assessment (APA) Report

TARABA STATE

By:

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



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1. Executive Summary

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

Table 1 (below) reflects the outcome of the 2020 APA for Taraba State and shows areas where the State was able to achieve results. In total, Taraba State achieved 5 (Five) DLRs out of 15 DLRs applicable to the 2020 APA of which 3 (Three) DLRs were achieved in 2018 and 2019.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Prev. Achieved	
Disbursement Linked Indicators	Disbursement Linked Results		Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management			The third and fourth quarters did not contain the approved amended/revised budget for the personnel budget expenditure.
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%			The budget deviation was 55.44%
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2021 budget.			
	DLR 2.2: Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms			The economic classification figures reported in the Citizens budget are different from the figures reported in the Amended budget.
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 70 percent of state government finances.			<ul style="list-style-type: none"> The State did not have a functional TSA The State did not have Cash Management Strategy The State TSA did not cover a minimum of 70% of the Government finances.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		2019 APA	
	DLR 4.2: 2020-2019 annual nominal IGR growth rate meets target: i.e., 2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection			
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll			The State did not conduct a Biometric exercise
	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed			The State has not linked BVN details of civil servants and pensioners to its payroll system

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<p>DLI 6: Improved procurement practices for increased transparency and value for money</p>	<p>DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. 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</p>	<p>2018 APA</p>	<ul style="list-style-type: none"> • There was no framework contract for e-procurement signed by 31 December 2020, • There was no publication of contract award information online.
	<p>DLR 6.2: (Basic Target) Framework contract for e-Procurement signed by 31 December 2020 AND Publication of contract award information above the threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.</p> <p>DLR. 6.2 (Stretch Target) Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs</p> <p>AND</p> <p>For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available</p>		
<p>DLI 7: Strengthened public debt management and fiscal responsibility framework</p>	<p>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.</p>	<p>2018 APA</p>	<ul style="list-style-type: none"> • The Annual State Debt Sustainability Analysis did not include a Medium-Term Budget forecast. • The Annual State Debt Sustainability Analysis did not include a detailed description of the State's debt portfolio and borrowing options. • The Annual State Debt Sustainability Analysis did not include an analysis of the debt and fiscal figures in the preceding year.
	<p>DLR 7.2: Quarterly state debt reports for Q2, Q3, and Q4 accepted by the DMO on average two months or less after the end of the quarter in 2020</p> <p>AND</p> <p>Annual State debt sustainability analysis published by end of December 2020</p>		
<p>DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears</p>	<p>DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place.</p> <p><u>Stretch Target:</u> Domestic arrears as of end 2019 and end 2020 reported in an online publicly accessible database, with verification process in place AND at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock of arrears below 5 billion.</p>		<ul style="list-style-type: none"> • State has no Arrears Clearance Framework/The State ACF was not published online • State has not established Internal Domestic Arrears Database [or it does not include the required information] • The percentage decline in the verified stock of domestic arrears was less than 5% [or the stock of arrears was above 5 billion]
<p>DLI 9: Improved debt sustainability</p>	<p>Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target: Basic target: < 150%, Stretch target: < 125%.</p>		<p>Total Debt Stock to Revenue is ≥ 150% by the end of December 2020.</p>

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

1. DLR 1.1: Budget implementation reports should include revised budget appropriation for the year for each organizational unit (MDAs).
2. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
3. DLR 2.2: The economic classifications figures reported in the Citizens budget are the same with the figures reported in the Amended budget.
4. DLR 3.0: Develop a functional State-level TSA where all Government revenues (IGRs ad FAAC) are credited into before expenditure. Formally approve and implement a cash management strategy. Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.
5. DLR 5.1: Biometric data of all the State's civil servants and pensioners is captured and linked with the State's payroll to reduce fraud and identify ghost workers taken off the payroll.
6. DLR 5.2: The BVN data of all Civil servants and Pensioners is linked to the State's payroll to address payroll fraud.
7. DLR 6.2: e-Procurement should be implemented as soon as possible. Contract award information, above the set threshold, should be published online every month in OCDS format on the State's website. Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs.
8. DLR 7.2: The Annual State Debt Sustainability Analysis includes a Medium-Term Budget forecast; a detailed description of the State's debt portfolio and borrowing options and an analysis of the debt and fiscal figures in the preceding year.
9. DLR 8: A Domestic Arrears Clearance Framework (ACF) is established and an internal domestic arrears database with relevant balances is placed online through a publicly accessible portal. Domestic arrears are cleared year on year to achieve total arrears of less than N5bn as soon as possible.
10. DLR 9: Strengthened debt sustainability by achieving the levels of debt indicators that are below the thresholds established for this DLR.

Furthermore, we noted there was a difference of ₦38,736,387,205.56 (Thirty-Eight Billion Seven Hundred and Thirty-Six Million Three Hundred and Eighty-Seven Thousand Two Hundred and Five Naira Fifty-Six Kobo) between the State Domestic Debt Report (SDDR) and the State's Audited Financial Statement for the year 2020. This difference arose from the non-disclosure of this figure in the 2020 Audited Financial Statement.

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

2. Introduction

2.1 Overview

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

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

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

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

1.1 Scope

This Annual Performance Assessment (APA) Report covers the State’s performance in 2020 against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines, and verification protocol. Each State was earlier assessed against the Eligibility Criteria set in the protocol, to determine the State’s eligibility for grants under the 2020 APA.

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitised on the requirements of the program and the protocol for 2020. The assessment results are binary (Achieved or Not Achieved), as that is how the Program for Results was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between (07/02/2022 and 11/02/2022) with a team of six (6) persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2020] quarterly budget implementation reports published with Q2, Q3, and Q4 reports published on average within [4 weeks] of quarter end to enable timely budget management		Not Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	The Quarterly Budget Implementation Reports were posted online on Q1: https://www.tarabastate.gov.ng/2020/05/21/2020-taraba-state-q1-mdas-detailed-financial-performance/ Q2: https://www.tarabastate.gov.ng/2020/07/29/2020-taraba-state-q2-mdas-detailed-financial-performance/ Q3:	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>https://tarabastate.gov.ng/Finances/Oct-28-2020%20TRS%20Q3%20MDAs%20Detailed%20Performance.xlsx</p> <p>Q4: https://www.tarabastate.gov.ng/2021/01/29/2020-taraba-state-q4-mdas-detailed-performance/</p> <ul style="list-style-type: none"> ● Q1 - (21/05/2020) – 7.3 Weeks (51 days) ● Q2 – (29/07/2020) - 4.1 Weeks (29 days) ● Q3 – (28/10/2020) - 4 Weeks (28 days) ● Q4 – (29/01/2021) - 4.1 Weeks (29 days) <p>Average days (weeks) for the online publication was computed based on the last 3 quarters, as below:</p> $- \frac{29 + 28 + 29}{3}$ <p>Average = 28.7 days (4.1 weeks)</p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters of the year 2020, and obtained and retained evidence of the timestamp of the publications.</p>		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organisational units (MDAs) for each of the core	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s website (see weblinks above) we observed the following:</p> <p>a) The Budget Implementation Reports included the approved budget appropriation for the year against each organisational unit (MDAs) for each</p>	Unsatisfactory	The should ensure the reports contain the approved amended/revised budget for personnel budget expenditure.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
	<p>economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.</p>	<p>of the core economic classifications of expenditures.</p> <ul style="list-style-type: none"> b) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date. c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations. d) The State has amended/ revised the budget. e) The third and fourth quarter Budget Implementation Reports showed the approved original budget and amended/ revised budget for Overhead and Capital budget expenditure but did not show the approved amended/ revised budget for the personnel budget expenditure for both the third and fourth quarters. <p>However, the State is requested to provide an explanation for the omission of the approved amended/ revised budget for the personnel budget expenditure for both the third and fourth quarters.</p> <p>The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>However, the State should provide documentary evidence of inclusion of approved amended/revised budget in the published reports and an explanation for the omission of the approved amended/revised budget for the personnel budget expenditure for both the third and fourth quarters while responding to this report.</p> <p>The State responded thus, "The revisions of FY2020 Budget do not affect much of the State recurrent expenditure items. Apart from the two MDAs Muslim Pilgrims Welfare Board and Home Affairs and Special Services all other recurrent expenditures items remained intact. Below is the link. https://www.tarabastate.gov.ng/2020/01/28/tarab-a-state-approved-Budget-2020/" https://www.tarabastate.gov.ng/2020/01/28/tarab-a-state-approved-Budget-2020/"</p> <p>The comment was not addressed by the State, as the third and fourth quarters did not contain the approved amended/revised budget for the personnel budget expenditure.</p>		
3	Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date?	Upon review of the State's Budget Performance reports, it stated the actual expenditures for each quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations									
4	Does the report state balance against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	Upon review of the State's Budget Performance reports, it stated 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 included debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications	Satisfactory										
DLR 1.2	FY [2020] deviation from total amended budget expenditure is less than 15%		Not Achieved										
1	Has the State computed the difference between the Amended approved total budgeted expenditure for the fiscal/calendar year and the actual total expenditure in the fiscal/calendar year, divided by the Amended approved total budgeted expenditure and expressed in positive percentage terms?	<p>The State computed the budget deviation for 2020 to be 55.40%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="680 1175 1278 1403"> <thead> <tr> <th></th> <th>Total Amended Budget</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>Capital (pg1)</td> <td>104,877,990,49 3.72</td> <td>12,999,757,09 0.38</td> </tr> <tr> <td>Rec. Exp (pg1)</td> <td>71,738,327,981. 00</td> <td>65,763,294,30 4.77</td> </tr> </tbody> </table>		Total Amended Budget	Actual	Capital (pg1)	104,877,990,49 3.72	12,999,757,09 0.38	Rec. Exp (pg1)	71,738,327,981. 00	65,763,294,30 4.77	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	Total Amended Budget	Actual											
Capital (pg1)	104,877,990,49 3.72	12,999,757,09 0.38											
Rec. Exp (pg1)	71,738,327,981. 00	65,763,294,30 4.77											

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations					
	Is the expenditure outturn deviation computed less than 15%	<table border="1"> <tr> <td>Total</td> <td>176,616,318,475.02</td> <td>78,763,051,395.35</td> </tr> <tr> <td></td> <td>5.02</td> <td>5.35</td> </tr> </table> <p> $\frac{\text{₦176,616,318,475.02} - \text{₦78,763,051,395.35}}{\text{₦176,616,318,475.02}} \times 100$ $= 55.4\%$ </p> <p>The budget performance deviation is 55.4%</p> <p>Source: 2020 Audited Financial Statement (Pg 17, Note 5-8 is recurrent expenditures + loan repayment Notes 21 and 22, while Note 9 -19 is Capital expenditures) and Approved Budget and Actual Expenditure or Appropriation Law (Summary Table Pg1).</p>	Total	176,616,318,475.02	78,763,051,395.35		5.02	5.35			
Total	176,616,318,475.02	78,763,051,395.35									
	5.02	5.35									
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process											
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2021] budget			Achieved							
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government	<p>a. The Local Governments (LGAs) in attendance were:</p> <ul style="list-style-type: none"> i) Takum LGA ii) Ibbi LGA iii) Donga LGA 		Satisfactory							

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>authorities and State-based CSOs?</p> <p>iv) Ussa LGA v) Bali LGA and vi) Sardauna LGA.</p> <p>b. The names of some of the Civil Society Organisations (CSOs) representatives in attendance were:</p> <p>i) CDOs of Bali, Gashaka, Sardauna and Kurmi ii) CSO reps from Jalingo and Bali iii) PROSELL iv) Woman Leader and v) FOMWAN</p> <p>c. The sources of information from which conclusions were drawn are minutes, attendance list, and pictures.</p> <p>d. The date of the meetings was the 26th of September 2020, and held simultaneously in three senatorial districts, namely:</p> <p>i. Bali Local Government Secretariat Conference Hall ii. Council Chambers Zing Local Government Area iii. The Local Government Legislative Chamber</p> <p>e. IVA called ten (10) randomly selected attendees to confirm their attendance at the public consultation</p> <p>f. The budget was drafted on the 4th of December, 2020.</p> <p>g. The date of the consultation was on the 26th of September 2020, while the draft budget was dated 4th December, 2020. As such the consultation was done before the draft budget.</p> <p>h. The publication of the proposed budget was done on the 28th of January, 2021 before the deadline of 31 January 2021.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>i. The weblink for the publication of the proposed budget is: https://tarabastate.gov.ng/Finances/2021%20Final%20Taraba%20State%20FY%202021%20NCoA%20Compliant%20Budget-%20Published%20Version-converted.pdf</p>		
2	<p>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 2021 to enable citizens to find the inputs easily?</p>	<p>a. The CSO member that co-signed the Minutes was Mr. Bulus Audu Daniel, and a copy of the signed minutes was retained on file.</p> <p>b. The title of the Minutes is “Minutes of meeting of the public consultative forum for central zone on the 2021 budget process organised by Taraba state ministry of budget and planning on the 26th of September 2020 at Bali Local Government secretariat conference hall.”</p> <p>c. The organisations the signatories represent is the Civil Society Organisation</p> <p>d. The weblinks to the publications are: https://tarabastate.gov.ng/Finances/2021%20SOUTH%20ERN%20ZONE%20MINUTES%20OF%20MEETING%20ON%20TARABA%20STATE%202021%20BUDGET%20PROCESS.pdf https://tarabastate.gov.ng/Finances/2021%20NORTH%20ERN%20SENATORIAL%20ZONE%20MINUTES%20OF%20MEETING%20ON%20THE%202021%20BUDGET%20PROCESS.pdf https://tarabastate.gov.ng/Finances/SEPT-CENTRAL%20SENATORIAL%20ZONE%20REPORT%20ON%20PUBLIC%20CONSULTATIVE%20FORUM%20TARABA%20STATE%202020%20REVISED%20CITIZENS'%20BUDGET%20ZONE%20CONDUCTED%20AT%20BALI</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		%20LOCAL%20GOVERNMENT%20COUNCIL%20SECRE TARIAT.docx		
DLR 2.2	Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms		Not Achieved	
1.	Did the state conduct dissemination events to explain amendments to the FY2020 State budget and was adequate evidence of the events published online and by the due date?	<p>a. IVA reviewed all required documents, including pictures with a list of attendees containing names, designation, LGA, and phone numbers</p> <p>b. The Amended Budget and the evidence of the dissemination events have been downloaded.</p> <p>c. The dissemination was done physically simultaneously in the three (3) senatorial districts of the State on the 29th of August, 2020.</p> <p>d. The evidence of the dissemination event was published online on the 10th of September, 2020 before September 30, 2020. The evidence of dissemination published online was downloaded and retained on file.</p> <p>e. The evidence of the dissemination event was published in the same location as the Amended FY20 budget.</p> <p>f. The evidence of the dissemination events was published on the 10th of September, 2020. The</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>evidence obtained to confirm the dates of publication online was a screenshot of the backend.</p> <p>g. The weblink of publications is: https://wwwhttps://www.tarabastate.gov.ng/2020/09/10/citizens-guide-to-revised-2020-taraba-state-budget/.tarabastate.gov.ng/project/sftas/budgets-and-debts/page/5/</p>		
2	Has the State published online, on the State website(s) a Citizens Budget based on the Amended Budget (2020) not later than 30 September 2020?	<p>a. The Citizens budget based on the Amended Budget (2020) was published before the due date via https://tarabastate.gov.ng/Finances/SEPT-Citizens'%20Guide%20to%20Revised%202020%20Taraba%20State%20Budget.pptx This was accessed on 9th February 2022.</p> <p>b. Comparison of the Amended Budget 2020 with the Citizens Budget was done by IVA and there were significant areas of discrepancies. The economic classifications figures reported in the Citizens budget are different from the figures reported in the Amended budget.</p> <p>c. IVA confirmed that the Citizen’s budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template and no discrepancies exist among the following:</p> <ul style="list-style-type: none"> i. Simple explanation of the annual amended budget/citizens budget see pages 4 and 6 ii. The sources of revenues was stated on page 12 iii. Sources of domestic and foreign grants, domestic loans, and other financing sources stated on page 12 	Unsatisfactory	The State should ensure the Citizens Budget is the same with the Amended Budget.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> iv. Total expenditure by economic classifications on page 15 v. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap is stated on page 14 vi. Disclosure of Budget deficit and how it will be financed is stated on page 14 vii. Sectoral Allocation (by MDAs) stated on page 19. viii. Top Projects to be financed (at least 5) on page 22. <p>d. The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included.</p> <p>There is no difference between the format used when compared with the suggested format.</p>		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	<ul style="list-style-type: none"> a. The Citizens Budget included an explanation of the key changes between the Original FY20 Budget and the Amended FY20 Budget. Page 13 b. The Citizens Budget included Data on reallocations and adjusted spending priorities. Page 14 <p>In conclusion, IVA confirmed that the amended FY20 state budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.</p>	Satisfactory	
4	Does the State website have functional feedback and response online mechanisms?	<ul style="list-style-type: none"> a. The State has established functional feedback and response mechanisms on its website. b. The type of feedback mechanism established on the State website is known as the “Comment System”. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c. The State's feedback mechanism provides at a minimum:</p> <ul style="list-style-type: none"> i. Acknowledgement of receipt of comments/feedbacks from citizens ii. State's responses to comments/feedbacks iii. Displayed the timeframe and the State's government contact details. <p>d. The test was conducted to ascertain the functionality of the feedback mechanism and the result of that test is a (Live Chat).</p> <p>e. A demonstration was done by the State Ministry of Finance to provide further evidence to demonstrate how the State has responded to feedback submitted online.</p> <p>In Summary, the results of the evidence and demonstration provided by the State were good</p> <p>f. In conclusion, the State's feedback mechanism is functional.</p> <p>g. The weblink (Using google chrome) is: https://www.tarabastate.gov.ng/2020/09/10/citizens-guide-to-revised-2020-taraba-state-budget/#:~:text=Do%20you%20have%20revised%202020%20Citizens%20Budget</p>		
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		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	the implementation of State TSA			
1	Has the State established a functional State-level TSA?	<p>a) The State does not have an established functional state-level TSA.</p> <p>b) The State operates multiple accounts. The details of the accounts are as shown below: IGR Lead, but not functional as the lead.</p> <p>i. Account Name: TARABA STATE IGR ACCOUNT Bank Name: Access Bank Plc Account Number: 0767571474</p> <p>ii. TSA: Account Name: TARABA STATE GOVT.-FEDERATION A/C Bank Name: Zenith Bank Plc Account Number: 1010166191</p> <p>iii. VAT: Account Name: TARABA STATE VAT ACCOUNT. Bank Name: Zenith Bank Plc Account Number: 1012243117</p>	Unsatisfactory	The State should establish a functional TSA
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic	The State does not have a cash management strategy.	Unsatisfactory	The State should implement an approved cash management strategy that covers the processes through which the State can forecast cash commitments and requirements and provide

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.			reliable information on the availability of funds.
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	The State does not have a computer application where the State can view the cash balances in the bank account(s).	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 and should be in line with the approved Cash Management Strategy.
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.	<p>a) The tests performed and the findings from the tests, including interviews with relevant govt officials, and the checks conducted at 3 MDAs are as shown below:</p> <p>i. Ministry of Education (Secondary and Basic Education): The Ministry's revenue is collected by a BIRS officer who is stationed at the Ministry. When payments are made concerning Revenue, the BIRS officer collects the payments and he in turn issues receipts to the payer. The BIRS officer then pays the monies collected as revenue to any of the collecting banks. The ministry keeps a record of collections. There sources of revenue in the Ministry are (1) Registration for private schools (2) Yearly renewal of licence (3) Sales of Establishment from (4)</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Junior WAEC registration Basic and Mock.</p> <p>ii. Ministry of Works: The Ministry's revenue is collected by a BIRS officer who is stationed at the Ministry. When payments are made concerning Revenue, the BIRS officer collects the payments and he in turn issues receipts to the payer. The BIRS officer in turn issues receipts to the payer. The BIRS officer then pays the monies collected as revenue to any of the collecting banks. The ministry keeps a record of collections. There sources of revenue in the Ministry are: (1) Tender fees (2) Community Services Reg. of Contractors (3) Earning from Government Plant (4) Laboratory Services.</p> <p>a) Ministry of Health: The Ministry's revenue is collected by a BIRS officer who is stationed at the Ministry. When payments are made concerning Revenue, the BIRS officer collects the payments and he in turn issues receipts to the payer. The BIRS officer then pays the monies collected as revenue to any of the collecting banks. The ministry keeps a record of collections. There sources of revenue in the Ministry are (1) Registration of Private Clinic (2) Renewal of licence (3) Registration of Private laboratory (4) Renewal of licence.</p> <p>b) Detail of TSA: Account Name: TARABA STATE GOVT.- FEDERATION A/C</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
		<p>Bank Name: Zenith Bank Plc</p> <p>Account Number: 1010166191</p> <p>c) All government money goes through this account.</p> <p>d) All government monies do not sit in the other revenue collecting banks.</p> <p>e) The TSA bank Statement was obtained.</p>														
5	Does the TSA cover a minimum of 70% of the State Government's finances?	<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 2020.</p> <p>See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Inflows</th> <th>Total Outflows</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>52,800,203,5 21.27</td> <td>51,069,385,329 .46</td> </tr> <tr> <td>Government Finances*</td> <td>85,961,167,0 55.15</td> <td>78,763,051,395 .35</td> </tr> <tr> <td>Percentage</td> <td>61</td> <td>65</td> </tr> </tbody> </table> <p>The average is percentage computation is:</p> $\frac{61\% + 65\%}{2} = 63\%$ <p>The TSA covered 63 % of the State's finances.</p>		Total Inflows	Total Outflows	TSA Bank Statement	52,800,203,5 21.27	51,069,385,329 .46	Government Finances*	85,961,167,0 55.15	78,763,051,395 .35	Percentage	61	65	Unsatisfactory	The State's TSA should cover all of the Government Finances.
	Total Inflows	Total Outflows														
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Percentage	61	65														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		*Sources: 2020 Audited Financial Statement (Cash Flow Statement) Pg.17 and the TSA Statement from Zenith Bank for the period January - December 2020		
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		Previously Achieved in 2019 APA	
DLR 4.2	2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection		Achieved	
1	Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: N/A	a. The accounting basis used for revenue reporting in 2019 and 2020 from the Audited Financial Statements or State Auditor-General's Report is on a cash basis. b. The IVA computed the annual nominal IGR	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																																				
	<p>Stretch Target: equal to or higher than the 2019 nominal IGR collection</p>																																						
<p>growth rate for this year APA. See the computation below:</p>																																							
<table border="1"> <thead> <tr> <th data-bbox="653 386 856 488">REPORTING TEMPLATE: OPTION B</th> <th data-bbox="856 386 1024 435">NGN</th> <th data-bbox="1024 386 1192 435"></th> <th data-bbox="1192 386 1310 488">% GRO WTH</th> </tr> <tr> <th data-bbox="653 488 856 532">Item</th> <th data-bbox="856 488 1024 532">2019</th> <th data-bbox="1024 488 1192 532">2020</th> <th data-bbox="1192 488 1310 532"></th> </tr> </thead> <tbody> <tr> <td data-bbox="653 532 856 670">1. Reported IGR in AFS (Before Adjustments)</td> <td data-bbox="856 532 1024 670">6,533,106,447.27</td> <td data-bbox="1024 532 1192 670">8,114,973,143.14</td> <td data-bbox="1192 532 1310 670">24%</td> </tr> <tr> <td data-bbox="653 670 856 716"></td> <td data-bbox="856 670 1024 716"></td> <td data-bbox="1024 670 1192 716"></td> <td data-bbox="1192 670 1310 716"></td> </tr> <tr> <td data-bbox="653 716 856 878">2. INVALID items to be deducted IF reported as part of IGR</td> <td data-bbox="856 716 1024 878">-</td> <td data-bbox="1024 716 1192 878">-</td> <td data-bbox="1192 716 1310 878"></td> </tr> <tr> <td data-bbox="653 878 856 954">Paris club refund</td> <td data-bbox="856 878 1024 954"></td> <td data-bbox="1024 878 1192 954"></td> <td data-bbox="1192 878 1310 954"></td> </tr> <tr> <td data-bbox="653 954 856 1203">Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)</td> <td data-bbox="856 954 1024 1203"></td> <td data-bbox="1024 954 1192 1203"></td> <td data-bbox="1192 954 1310 1203"></td> </tr> <tr> <td data-bbox="653 1203 856 1341">Sale of govt property, privatization proceeds</td> <td data-bbox="856 1203 1024 1341"></td> <td data-bbox="1024 1203 1192 1341"></td> <td data-bbox="1192 1203 1310 1341"></td> </tr> <tr> <td data-bbox="653 1341 856 1383">Savings</td> <td data-bbox="856 1341 1024 1383"></td> <td data-bbox="1024 1341 1192 1383"></td> <td data-bbox="1192 1341 1310 1383"></td> </tr> </tbody> </table>				REPORTING TEMPLATE: OPTION B	NGN		% GRO WTH	Item	2019	2020		1. Reported IGR in AFS (Before Adjustments)	6,533,106,447.27	8,114,973,143.14	24%					2. INVALID items to be deducted IF reported as part of IGR	-	-		Paris club refund				Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)				Sale of govt property, privatization proceeds				Savings			
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Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		Investment Income (e.g. dividends)				
		Interest Earned				
		Miscellaneous				
		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)	6,533,106,447.27	8,114,973,143.14	24%	
		$\frac{\text{N}8,114,973,143.14 - \text{N}6,533,106,447.27}{\text{N}6,533,106,447.27} \times 100 = 24\%$				
		The annual nominal growth is 24%				
		Source: 2020 Audited Financial Statement Pg. 17				
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud						
DLR 5.1	Biometric capture of at least [90] percent of				Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll			
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of the current civil servants and pensioners on the State payroll?	The State has not used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of the current civil servants and pensioners on the State payroll.	Unsatisfactory	The State should ensure the biometric safeguards in place within the payroll cover all current civil servants and pensioners The state should ensure that biometric data is fully linked with payroll
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	The State has not linked the biometrics data to the State payroll to identify ghost workers.	Unsatisfactory	The data from the State's biometric exercise should be linked with payroll
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	The State has not linked the biometrics data to the State payroll to identify ghost workers	Unsatisfactory	The State should complete the process of capturing all civil servants in the State and linking their biometric data to the payroll to identify ghost workers
5.2	Link BVN data to at least [90] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Has the State linked the Bank Verification Number data to 90% of its current Civil Servants and pensioners on the State payroll?	The State has not linked the Bank Verification Number data to 90% of its current Civil Servants and pensioners on the State payroll.	Unsatisfactory	The State should link the Bank Verification Numbers of all its Civil Servants and Pensioners to the State payroll to prevent fraud.
2	Has the State taken steps to identify payroll fraud?	The State has not taken steps to identify payroll fraud.	Unsatisfactory	The State should take steps to combat payroll fraud and ensure these steps and results achieved are documented and verifiable.
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) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget		Previously Achieved in 2018 APA	
DLR 6.2	<u>Basic Target:</u> Framework contract for e-		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>Procurement signed by 31 December 2020 AND Publish contract award information above a threshold set out in the State’s procurement law/regulation every month in OCDS format on the state website or online portal if available.</p> <p>Stretch Target: Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs</p> <p>AND</p> <p>For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State’s procurement law/regulation every month in OCDS format on the state website or online portal if available.</p>			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2020) that are above the threshold (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?	<p>a) IVA could not obtain a schedule of all contracts awarded during the year under assessment above the threshold (as defined in the state procurement law) as the State did not publish it online</p> <p>b) IVA cannot state whether the data published is in line with the Open Contracting Data Standards (OCDS), as the state did not publish its data online.</p> <p>**The State contract award information was not published on the state official website.</p>	Unsatisfactory	The state should adopt the OCDS and publish contract award information online as required under the standards.
2 New	Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020?	<p>a) The State has not signed the SaaS e-Procurement Framework Contract.</p> <p>b) IVA could not obtain a copy of the SaaS e-Procurement Framework Contract.</p> <p>c) The State has not signed the framework contract, and no other arrangements have been being put in place to implement e-Procurement by the deadline for this DLR</p>	Unsatisfactory	The State should ensure that it has an arrangement in place to implement e-Procurement as soon as possible.
3 New	Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the 2020 results DLI is the implementation of e-Publishing/Notification module for contract notice and contract award?	<p>a) The State has not implemented e-procurement in at least 3 MDAs (Education, Health, and Public Works).</p> <p>b) IVA did not conduct a walkthrough of the 5 transactions from each MDA has been done (with at least 2 categories of expenditure from goods, works, or services), as State did not Implement e-procurement in the 3 MDA's</p>	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs and at least 3 MDAs in the first instance (including Education, Health, and Public Works).

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) IVA did not select transactions to conduct a walkthrough to confirm if selected transactions followed procurement lifecycle, as the state did not implement e-procurement in the 3 MDA's</p> <p>d) The State has not implemented the E-Publishing/Notification module for contract notice and contract award.</p> <p>It was not effective during the year 2020</p>		
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.		Previously Achieved in 2018 APA	
DLR 7.2	Quarterly state debt reports for Q2, Q3, and Q4 2020 accepted by the DMO on average two months or less after the end of the quarter in 2020 AND Annual state debt sustainability analysis		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	published by end of December 2020			
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average two months after the end of the quarter in 2020?	<p>a) The State submitted quarterly State Domestic Debt Reports (SDDR) (final versions) to the DMO on an average of two months after the end of each quarter.</p> <p>We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> • Q2 submitted on (19th of August 2020) - 50 days after the quarter end. • Q3 submitted on (3rd of November 2020) - 34 days after the quarter end. • Q4 submitted on (3rd of February 2021) - 34 days after the quarter end. $\frac{50 + 34 + 34}{3} = 39.33 \text{ Days}$ <p>Average = 39.3 days (5.6 weeks)</p> <p>The SDDRs were submitted within an average of 1.4 months (39.3 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</p>	<p>a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained.</p> <p>b) We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with Taraba State Debt Domestic Report along with all underlying data</p>	N/A	The state should submit accurate quarterly state domestic debt reports to the DMO

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>(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>and both did not show the same amount. The report was supported with the DMO's templates and guidelines. There was a discrepancy of ₦1,305,714,377.47 between the State Domestic and External Debt Report (SDEDR) Quarterly and the State Domestic Debt Reports (SDDR).</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> <p>(c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State was compared with the State Audited Financial Statement.</p> <p>(d) The debt stock figures reported in the SDDR was compared with that of the State's Audited Financial Statement</p> <p>(e) There were any discrepancies noted during the comparison.</p> <ol style="list-style-type: none"> 1. SDDR Figure: ₦106,045,259,062.53 2. AFS Figure: ₦67,308,871,856.97 3. Difference: ₦38,736,387,205.56 <p>e) An APA issue was raised for the State to explain the discrepancy. The State responded that "There is nothing as discrepancy to the tune of N 38,736,387,206.56. Taraba State has a Debt Stock</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>balance of N 106,045,259,062.53 as at 31st Dec. 2020 and reported such to DMO....</p> <p>Therefore N106,045,259,062.53 Less 83,317,296,375.41 =N 22,727,962,687.12</p> <p>The sum of N22,727,962,687.12 is the figure representing a balance of N35,000,000,000 sum guaranteed by the state for Local Govts. Which we evidenced by tendering Extract of Taraba State Executive Council Conclusion. That figure has formed part of the Commercial Loan figure N38,736,387,206.56 reported to DMO.”</p> <p>IVA has reviewed the State’s response on the discrepancy of ₦38,736,387,205.56 However, conclusions reached in this report are based on the amended DMO data.</p> <p>g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO was compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.</p> <p>(h) The debt stock figures reported in the SDEDR, have been compared with those of the SDDR submissions by each state.</p> <p>i) There were errors or inconsistencies.</p> <p>i. SDEDR (DMO) Domestic Figure: ₦107,350,973,440.00 ii. SDDR (State) Figure: ₦106,045,259,062.53 iii. Difference: ₦1,305,714,377.47</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>(j) An APA issue report was raised for the State to explain the inconsistency. The State responded that “In the year 2016, Taraba State received the sum of N17,569,000,000.00 as a budget support facility to be repaid over 30 years. The loan Facility accumulated unpaid interest of N4,258,333,232.15 from June 2016 to September 2019. The sum N225,241,769.75 of the interest was paid in September 2019. The balance of interest of N4,033,091,462.40 was prorated over 30 years with a monthly accumulated interest of N11,203,031.84. The sum of N3,828,854,300.39 stood as the difference between the amount reported by CBN (N21,329,147,259.66) and the amount reported to DMO BY Taraba State (N17,500,292,959.27) as at December 31st, 2020. Unless the outstanding accumulated interest was capitalised, then our balance as at December 31st, 2020 was N17,500,292,959.27. The Bail-out facility was over deducted by N62,739,662.24 during the year. This was as a result of the moratorium. We have started implementing the Moratorium circular in June instead of March. The Bail-out facility was over deducted by N25,369,636.75 during the year. This was as a result of the moratorium. We have started implementing the Moratorium circular in June instead of March. Taraba state government, applied for a CAS 1 loan of n 5 billion at an interest rate of 10% for 96 months in the year 2018 through Fidelity Bank. The loan was not granted, but a monthly deduction of n 75,463,399.96 was effected to date. According to CBN the sum of n1 billion was granted in November 2019, not the n5 billion applied for.</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>More So, The Sum Outstanding As At December 2020 Was N857,142,857.16 On This Facility According To CBN. The state later contracted a CAS 2 Loan of N2 Billion through Zenith Bank In Sept. 2020.</p> <p>Given The Foregoing, The Sum Of N3 Billion Was Received As CAS Not N7 Billion, And The Balance Outstanding As At 31st Dec. 2020 Was N2,857,142,857.16. This Discrepancy occurred as a result of CBN continuity in the deduction of N75,463,399.96 monthly as repayment of the loan since 2018 signifying that the amount applied was the same as the amount approved.</p> <p>We have reported the sum of N5,506,089,884.64 as the balance of CAS loans as at December 31st 2020, while CBN reported a balance of N2,894,840,662.85 for the same period. This brought up the difference of N2,611,249,221.80. Below are the figures that created the disparity;</p> <p>Budget Support Loan - ₦3,828,854,300.39</p> <p>Bail out (Salaries) - ₦62,739,662.24</p> <p>Excess Crude Account Backed Loan - ₦25,369,636.75</p> <p>CBN Commercial Agric Loan - ₦2,611,249,221.80".</p> <p>IVA has reviewed the State's response on the discrepancy of ₦1,305,714,377.47. However, conclusions reached in this report are based on the amended DMO data.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3 New	Has the State published the State Debt Sustainability Analysis Reports (SDSAR) online by 31 December 2020?	<p>(a) The State Debt Sustainability Analysis Report (SDSAR) was published on the State official website.</p> <p>(b) The date of publication was the 31st of December 2020.</p> <p>(c) The Taraba State Debt Sustainability Assessment Report (SDSAR) was published on the 31st of December 2020. IVA obtained timestamp and screenshots taken from the IT back end of the State's website showing the date of online publication.</p> <p>(d) https://tarabastate.gov.ng/Finances/Taraba%20state%20DSA%20Report%20.pdf</p>	Satisfactory	
4 New	Does the SDSAR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options, and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	<p>a) Upon review of the State Debt Sustainability Analysis Report (SDSAR), we noted it did not include the following: 1) medium-term budget forecasts; 2) a detailed and adequate description of the debt portfolio and borrowing options, and 3) an adequate analysis of the debt and fiscal figures in the preceding calendar year.</p> <p>b) A review and comparison between the information (figures) contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State Website was done.</p> <p>c) There were no differences in the review between the information contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State.</p>	Unsatisfactory	The State should ensure that the SDSAR includes the following: 1) medium-term budget forecasts; 2) a detailed description of the debt portfolio and borrowing options, and 3) an adequate analysis of the debt and fiscal figures in the preceding calendar year
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 8.0	<p>Basic Target: Domestic arrears as of end 2019 and end 2020 are reported in an online publicly-accessible database, with a verification process in place.</p> <p>Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with a verification process in place</p> <p>AND</p> <p>at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state’s arrears clearance framework or maintain stock below 5 billion.</p>		Not Achieved	
1	Has the State established an Arrears Clearance Framework (ACF)?	<p>a) The State has not established an Arrears Clearance Framework (ACF)</p> <p>b) A copy of the ACF has not been obtained from the State</p>	Unsatisfactory	The State should establish an Arrears Clearance Framework (ACF)

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> c) The establishment of the ACF has yet to occur by 31 December 2020. d) The establishment of the ACF has yet to occur by 31 December 2020 		
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritisation of expenditure arrears to be settled.	<ul style="list-style-type: none"> a) The State has not established an Arrears Clearance Framework (ACF), there exists no explicit prioritisation of expenditure arrears to be settled. b) The State has not established an Arrears Clearance Framework (ACF). 	Unsatisfactory	The ACF should contain: <ul style="list-style-type: none"> 1) Planned actions to settle arrears 2) An explicit prioritisation of expenditure arrears to be settled
3	Has the ACF been published on a State official website?	<ul style="list-style-type: none"> a) The ACF has not been published on a State official website b) We have been unable to download a copy for validation c) No weblink and evidence obtained to confirm the date of publication 	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 clearance of domestic expenditure arrears has been obtained, however, due to the non-existence of an ACF, we cannot verify the consistency of the domestic expenditure arrears with the ACF.	Unsatisfactory	The State should ensure that the clearance of domestic expenditure arrears is consistent with the ACF
5.	Has the State established an Internal Domestic Arrears Database?	<ul style="list-style-type: none"> a) A link to the Internal Domestic Arrears Database was not provided by the state b) The State Internal Domestic Arrears Database does not include the following: <ul style="list-style-type: none"> a. The aggregate and individual amounts of contractors' arrears which include the name of the contractor, the amount due at the end-of-year, the nature of the goods and 	Unsatisfactory	<ul style="list-style-type: none"> 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; the aggregate amount of

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>services procured that generated the claim, and billing data (as applicable).</p> <p>b. The aggregate amount of pension and gratuity arrears.</p> <p>c. The aggregate amount of salary arrears and other staff claims.</p> <p>d. The aggregate amount of other types of domestic arrears</p> <p>c) There is no verification process is in place for the arrears in the database</p> <p>d) We could not confirm through the evidence provided by the State that the State has conducted verification of arrears balances.</p> <p>e) No tests were conducted because the state has not established an internal domestic arrears database</p> <p>f) The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR).</p>		pension and gratuity arrears; the aggregate amount of salary arrears and other staff claims
6	Has the State published online elements of the internal domestic arrears database for the FY 2019 and FY 2020 reported on a State official website, which constitutes the online publicly accessible arrears database?	<p>a) The State has published online only the aggregate amounts of domestic arrears. Evidence of the publication of other elements such as a breakdown of individual contractors, contractors with balances above N20m, etc which are required elements of the Internal Domestic Arrears Database for balances as at the end of 2019 and 2020 have not been provided.</p> <p>b) We were unable to compare the information available on the online publicly accessible arrears database with an internal domestic arrears</p>	Unsatisfactory	The State should ensure they publish online elements of the Internal domestic arrears database.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>database. As such we could not verify the consistency and accuracy of the information on the online publicly accessible arrears database.</p> <p>c) The IVA has not been provided with links to contractor balances on the website. The online publicly accessible arrears database does not contain a breakdown of contractor balances or an electronic link that permits potential contractors to communicate any exclusions to the State Ministry of Finance.</p> <p>d) The IVA was not provided any online web pages that include a facility for contractors with arrears (creditors) to report any omissions to the State.</p> <p>e) The test is inconclusive due to a lack of information.</p> <p>f) The source of information/weblink to the online publicly accessible arrears database is: https://tarabastate.gov.ng/Finances/2021-DEBT%20REPORT%20AS%20AT%20DECEMBER%202020.jpg or https://www.tarabastate.gov.ng/2021/02/10/taraba-debt-report-as-of-december-2020/</p> <p>g) A report for any omissions of contractor arrears was not made available.</p> <p>h) The weblink to the online publicly accessible arrears database is shown below</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		https://tarabastate.gov.ng/Finances/2021-DEBT%20REPORT%20AS%20AT%20DECEMBER%2020.jpg or https://www.tarabastate.gov.ng/2021/02/10/taraba-debt-report-as-of-december-2020/		
7.	<p>Does the online publication include?</p> <ol style="list-style-type: none"> 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 ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database. 	<p>The online publication includes the aggregate amount for the applicable arrears as shown below.</p> <p>However, the online publication does not contain the names of contractors owed ₦20m in arrears and above</p>	Unsatisfactory	<ol style="list-style-type: none"> a) The State should ensure they publish online lists of contractors with recognized arrears exceeding ₦20 million. b) The state should ensure contractors can verify that their claims are accurately reported
8.	Has the State met the following:		Unsatisfactory	The State should ensure a reduction of domestic

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																											
<p>(i) Percentage decline in the verified stock of domestic arrears at end 2020 compared to end 2019 meets target and is consistent with the state’s arrears clearance framework.</p> <p>-Stretch target: At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion.</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 the year, compared to the previous year, expressed in percentage terms.</i></p>	<table border="1" data-bbox="674 253 1293 553"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2020</th> <th>2019</th> <th>% diff.</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>226,370,675</td> <td>226,370,675</td> <td>0.0%</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>16,071,073,695</td> <td>27,759,049,676</td> <td>-42.1%</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>-</td> <td>-</td> <td>0.0%</td> </tr> <tr> <td>Judgment Debt</td> <td>-</td> <td>-</td> <td>0.0%</td> </tr> <tr> <td>Other types of domestic expenditure</td> <td>-</td> <td>-</td> <td>0.0%</td> </tr> <tr> <td>Total Domestic Arrears</td> <td>16,297,444,370</td> <td>27,985,420,351</td> <td>-41.8%</td> </tr> </tbody> </table> <p>a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and confirmed it was the same as the balances stated within the SDDR and the AFS for 2020 (edit the text as appropriate – a state where the figures used were obtained).</p> $\frac{16,297,444,370 - 27,985,420,351}{27,985,420,351} \times 100 = 41.8\%$ <p>The percentage decline is 41.8%</p> <p>Source: State internal domestic expenditure arrears database</p>	Aggregate Amount of:	2020	2019	% diff.	Contractors Arrears	226,370,675	226,370,675	0.0%	Pension and Gratuity arrears	16,071,073,695	27,759,049,676	-42.1%	Salary arrears and Staff claims	-	-	0.0%	Judgment Debt	-	-	0.0%	Other types of domestic expenditure	-	-	0.0%	Total Domestic Arrears	16,297,444,370	27,985,420,351	-41.8%		arrears debt stock to below ₦5 billion
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DLI 9: Improved Debt Sustainability																															

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
DLR 9.0	<p>Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target:</p> <p>-Basic target: < [150%] -Stretch target: < [125%]</p>		Not Achieved													
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31st December 2020) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2020)?</p> <p>-Basic target:< [150%] -Stretch target: < [125%]</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"> <thead> <tr> <th></th> <th>Financial Statements</th> <th>DMO/SDEDR Figures</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>N74,665,024,399.57</td> <td>N107,350,973,440.11</td> </tr> <tr> <td>Total External Debts</td> <td>N8,525,914,252.10</td> <td>N7,922,861,780.12</td> </tr> <tr> <td>Total Public Debts</td> <td>N83,190,938,651.67</td> <td>N115,273,835,220.24</td> </tr> </tbody> </table> <p>Total annual revenue</p>		Financial Statements	DMO/SDEDR Figures	Total Domestic Debts	N74,665,024,399.57	N107,350,973,440.11	Total External Debts	N8,525,914,252.10	N7,922,861,780.12	Total Public Debts	N83,190,938,651.67	N115,273,835,220.24	Unsatisfactory	The State should reduce its debt to revenue ratio and ensure the debt is sustainable. As a general guide, debt should not be more than 125% of Revenues and should ideally be much less.
	Financial Statements	DMO/SDEDR Figures														
Total Domestic Debts	N74,665,024,399.57	N107,350,973,440.11														
Total External Debts	N8,525,914,252.10	N7,922,861,780.12														
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Disbursement Linked Indicators (DLIs) and Tests	Findings		Conclusion	Recommendations										
		<table border="1" data-bbox="669 228 1236 521"> <tr> <td>2020 Adjusted IGR (see DLI 4.2)</td> <td>8,114,973,143.14</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>49,402,386,810</td> </tr> <tr> <td>Grants</td> <td>7,473,480,640.00</td> </tr> <tr> <td>Other Revenues</td> <td>39,347,928</td> </tr> <tr> <td>Total Revenue</td> <td>65,030,188,521.14</td> </tr> </table> <p data-bbox="669 540 1209 638">The state’s domestic debt stock figure in the Federal DMO SDEDR for 2020 is at the end of Quarter 4 2020.</p> <p data-bbox="669 699 1304 764">The IVA have computed the total debt stock / Revenue percentage for the 2020 year, as follows:</p> $ \frac{\text{N115,273,835,220.22 (DMO)}}{\text{N65,030,188,521.14}} \times 100\% = 177.26\% $ <p data-bbox="669 984 758 1008">Sources:</p> <ol data-bbox="669 1024 1283 1211" style="list-style-type: none"> 1. For Total Revenue 2020 Audited Financial Statement: Page 17 2. For Total Public Debt from DMO* as at December 31, 2020 3. NBS/OAGF (FAAC) <p data-bbox="669 1260 1304 1357">b. The debt stock stated in the Federal DMO SDEDR is not the same as stated in the audited financial statement.</p>	2020 Adjusted IGR (see DLI 4.2)	8,114,973,143.14	Gross FAAC Allocation	49,402,386,810	Grants	7,473,480,640.00	Other Revenues	39,347,928	Total Revenue	65,030,188,521.14		
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Other Revenues	39,347,928													
Total Revenue	65,030,188,521.14													

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>c. The total debt stock value in the Federal DMO SDEDR is N115,273,835,220 and the total debt stock value in the Taraba State 2020 Audited Financial Statement is N83,190,938,651.67. There is difference of N32,082,896,568.33</p> <p>d. The difference has been communicated to the State via an APA Issue form and the State is yet to respond.</p> <p>e. The difference in value is N32,082,896,568.33 between the Federal DMO SDEDR and the State Audited financial statement. In percentage terms it is 28%.</p>		

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

TARABA STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,329,147,259.66
BAIL OUT (SALARIES) (SOURCE CBN)	8,508,944,836.88
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	10,528,852,567.88
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,055,356,536.01
STATE BONDS	0
COMMERCIAL BANK LOANS	38,736,387,206.56
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	2,894,840,662.85
INFRASTRUCTURE LOANS (CBN FACILITIES)	
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	-
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	2,263,70,675
PENSION AND GRATUITY ARREARS	16,071,073,695.26
SALARY ARREARS AND OTHER CLAIMS	
OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	107,350,973,440
TOTAL EXTERNAL DEBT (TED)	7,922,861,780
TOTAL PUBLIC DEBT (TED+TDD)	115,273,835,220

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

TEMPLATE: OPTION A	NGN
Item	2020
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	49,402,386,810
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	35,598,005,996
1.1.1 Gross statutory allocation	31,595,581,233
1.1.2 Derivation	-
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	4,002,424,763
1.2 VAT	13,804,380,813
2. Internally Generated Revenues (IGR) – Adjusted	8,114,973,143.14
3. Grants (internal and external)	7,473,480,640
4A. Other revenues (4.1 + 4.2 + 4.3)	39,347,928
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	39,087,928
4.3 Miscellaneous	260,000
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	65,030,188,520

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>DLI 1: The revisions of FY2020 Budget do not affect much of the State recurrent expenditure items. Apart from the two MDAs Muslim Pilgrims Welfare Board and Home Affairs and Special Services all other recurrent expenditures items remained intact. Below is the link. https://www.tarabastate.gov.ng/2020/01/28/taraba-state-approved-Budget-2020/</p>	<p>The comment was not addressed by the State, as the third and fourth quarters did not contain the approved amended/revised budget for the personnel budget expenditure.</p>
2	<p>DLI 2: The State adopted the National Chart of Accounts (NCoA) compliant Budget from the Fiscal Year 2021 with the assistance of SFTAS TA organized by the NGF. So, the classification based on NCoA principles and structure does not applied to the FY2020 Approved Budget.</p>	<p>The findings was not raised on NCOA.</p> <p>The economic classifications figures reported in the Citizens budget were different from the figures reported in the Amended budget. Details are contained in the report.</p>
3	<p>DLI 7.2: The annual State Debt Sustainability analysis</p> <ul style="list-style-type: none"> • Contains no Debt management Forecast. • Contains no Detailed description of borrowing option • Contains no Analysis of debt and fiscal figures of preceding year. <p>In addition, the above requirements were not part of 2020 protocol.</p>	<p>The Verification Protocol Version 8 stated that “The SDSAR must include the following: (1) medium-term budget forecasts; (2) detailed description of the debt portfolio and borrowing options; and (3) analysis of the debt and fiscal figures in the preceding calendar year”</p>
4	DLI 8: NA	It is well noted.