



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

## **2021 Annual Performance Assessment (APA) Report**

### **KADUNA STATE**

**By:**

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



**FINAL REPORT**

**DECEMBER 2022**

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# 1. Executive Summary

This report details the outcome of the Annual Performance Assessment (APA) conducted on Kaduna State for the 2021 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 2021 APA for Kaduna State and shows areas where the State was able to achieve results. In total, Kaduna State achieved 11 (Eleven) DLRs out of 15 DLRs applicable to the 2021 APA of which 3 (three) DLRs were achieved in the 2018 and 2019 APAs.

**Table 1: Assessment Results**

<b>Key:</b>	<b>Achieved</b>	<b>Not Achieved</b>	<b>Previously Achieved</b>
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<b>DLI 1:</b> Improved financial reporting and budget reliability	DLR 1.1: FY21 quarterly budget implementation reports for Q1, Q2, Q3 and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY21 deviation for total approved original budget expenditure is < 15%		
<b>DLI 2:</b> Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2022 budget and citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms.		
	DLR 2.2: Citizen's Accountability Reports based on audited financial statements /reports are summarized and comprehensible versions of the audited statements and details of State government public consultations with citizens presenting the annual financial statements should be made available on the state official website (s) by 30th September of each subsequent financial year.		The State did not publish an adequate Citizens' Accountability Report.
<b>DLI 3:</b> 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 80 percent of state government finances.		
<b>DLI 4:</b> 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	
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target - <b>Basic target:</b> 20%-39% - <b>Stretch target:</b> 40% or more		The IGR growth rate was 7%
<b>DLI 5:</b> Biometric registration and Bank Verification	DLR 5.1: Biometric capture of at least 95 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
Number (BVN) used to reduce payroll fraud	DLR 5.2: Link BVN data to at least 95 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency; and 3) Cover all MDAs receiving funds from the state budget	2019	
	6.2 No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs <b>AND</b> 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		
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.	2018	
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021 AND Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021.		<ul style="list-style-type: none"> <li>• The SDSA-DMSR did not include a detailed description of the State's debt portfolio and borrowing options.</li> <li>• The State should ensure that its conclusion is consistent with figures shown in the presented charts.</li> <li>• The State should also ensure the report exhibits an adequate level of technical quality</li> </ul>
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2020 and end 2021 reported in an online publicly-accessible database, with verification process in place. <b>AND</b> Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.  <b>Basic target:</b> At least a 5 percent decline or maintain stock below 5 billion naira  <b>Stretch target:</b> More than 20 percent decline	Stretch Target Met	
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021 <b>AND</b> Total debt stock at end of December 2021 as a share of total revenue for FY2021 meets target: Basic target: < 120%, Stretch target: < 95%.		Total Debt Stock to Revenue is ≥ 120% by end December 2021

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 2.2: Citizen's Accountability Reports based on audited financial statements /reports are summarized and comprehensible versions of the audited statements and details of State government public consultations with citizens presenting the annual financial statements should be made available on the state official website (s) by the due date.
2. DLR 4.2: Improve its IGR collection to achieve significant year on year growth in nominal IGR.
3. DLR 7.2: the Annual State Debt Sustainability Analysis and Debt Management Strategy Report includes a detailed description of the State's debt portfolio and borrowing options.
4. DLR 9: Strengthened debt sustainability by achieving the levels of debt indicators that are below the thresholds established for this DLR.

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

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### 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 2021.

### 2.2 Scope

This Annual Performance Assessment (APA) Report covers the State’s performance in 2021 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 2021 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 sensitized on the requirements of the program and the protocol for 2021. The assessment results are binary (Pass or Fail), as that is how the Program for Results was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between 03/07/2022 and 10/07/2022 with a team of 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 are set out in this Report and the State is expected to revert within five working days with any comments on the results by using the free text box 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
<b>DLI 1: Improved Financial Reporting and Budgeting Reliability</b>				
<b>DLR 1.1</b>	<b>Financial Year [2021] quarterly budget implementation reports published on average within [4 weeks] of quarter end to enable timely budget management</b>		<b>Achieved</b>	
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?	<p>The Quarterly Budget Implementation Reports were posted online on</p> <p>Q1- 2021  <a href="https://www.pbc.kadgov.ng/upload%2Fpdf%2FQ1%202021%20Budget%20Performance%20Report.pdf">https://www.pbc.kadgov.ng/upload%2Fpdf%2FQ1%202021%20Budget%20Performance%20Report.pdf</a></p> <p>Q2- 2021  <a href="https://www.pbc.kadgov.ng/upload%2Fpdf%2FKaduna%20State%20BPR%20Q2%202021.pdf">https://www.pbc.kadgov.ng/upload%2Fpdf%2FKaduna%20State%20BPR%20Q2%202021.pdf</a></p> <p>Q3- 2021  <a href="https://www.pbc.kadgov.ng/upload%2Fpdf%2FKaduna%20State%20BPR%20Q3%20.....27%20%20Oct%20%20CE%2BCR.pdf">https://www.pbc.kadgov.ng/upload%2Fpdf%2FKaduna%20State%20BPR%20Q3%20.....27%20%20Oct%20%20CE%2BCR.pdf</a></p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Q4- 2021  <a href="https://www.pbc.kadgov.ng/upload%2Fpdf%2FKaduna%20State%20BPR%20Q4%20....28%20%20Jan.pdf">https://www.pbc.kadgov.ng/upload%2Fpdf%2FKaduna%20State%20BPR%20Q4%20....28%20%20Jan.pdf</a></p> <p>The State website was accessed on (5/07/2022)</p> <p>Dates of online publication are as follows:</p> <ul style="list-style-type: none"> <li>● Q1 – 28/04/2021 - 4 weeks (28 days)</li> <li>● Q2 – 25/07/2021 - 3.6 weeks (25 days)</li> <li>● Q3 – 28/10/2021 - 4 weeks (28 days)</li> <li>● Q4 – 28/01/2022 - 4 weeks (28 days)</li> </ul> <p>Average days (weeks) for the online publication was computed based on the last 4 quarters, as below:</p> $\frac{28+25+28+28}{4}$ <p>Average = 27.25 days (3.8 weeks)</p> <p>We downloaded the Quarterly Budget Implementation Reports for all four quarters for the year 2021, 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 organizational units (MDAs) for each of the	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State's website (see web links above) we observed the following:</p> <p>a) The Budget Implementation Report for Q1, Q2, Q3 and Q4, included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classification of expenditures.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
	<p>core economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each MDA as well as the actual cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.</p>	<p>b) The actual expenditures for the quarter attributed to each MDA as well as the cumulative expenditures for year to date were captured in the Quarterly (Q1, Q2, Q3 &amp; Q4) Budget Implementation Reports</p> <p>c) The balances against each of the revenue and expenditure appropriations were captured in the Budget Implementation Reports</p> <p>d) The State has a Revised Budget.</p> <p>e) The Budget Implementation Report for Q3 and Q4 shows both the approved original budget AND the approved revised budgets. The Quarterly Budget Implementation Report for Q1 &amp; Q2 did not show the approved budget and the revised budget since the revision took effect only in Q3 &amp; Q4.</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>		
3	<p>Does the report state the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the actual cumulative expenditures for the year to date?</p>	<p>The IVA reviewed the State's Budget Performance/Implementation Reports and confirmed that the report included the actual expenditures for each quarter attributed to each MDA, each expenditure classification, as well as the actual cumulative expenditures for the year to date.</p>	Satisfactory	
4	<p>Does the report state balances against each of the revenue</p>	<p>The State's Budget Performance reports shows the balances against each of the revenue and expenditure appropriations</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	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?	with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which includes debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.														
<b>DLR 1.2</b>	<b>FY [2021] deviation from total approved budget expenditure is less than 15%</b>		<b>Achieved</b>													
1	<p>Has the State computed the difference between the Original/Approved total budgeted expenditure for the fiscal/calendar year 2021 and the actual total expenditure in the fiscal/calendar year 2021, divided by the Original approved total budgeted expenditure and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 15%</p>	<p>The State computed the budget deviation for 2021 to be 5.81%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Approved Budget (₦)</th> <th>Actual Outturn (₦)</th> </tr> </thead> <tbody> <tr> <td>Capital Exp. (Page 6 of Budget &amp; Page 11 of AFS)</td> <td>164,610,200,280.77</td> <td>162,634,878,000</td> </tr> <tr> <td>Rec. Exp. (Page 5 Budget &amp; Page 10 AFS)</td> <td>82,057,386,938.3</td> <td>69,699,924,000</td> </tr> <tr> <td><b>Total</b></td> <td><b>246,667,587,219.07</b></td> <td><b>232,334,802,000</b></td> </tr> </tbody> </table>		Total Approved Budget (₦)	Actual Outturn (₦)	Capital Exp. (Page 6 of Budget & Page 11 of AFS)	164,610,200,280.77	162,634,878,000	Rec. Exp. (Page 5 Budget & Page 10 AFS)	82,057,386,938.3	69,699,924,000	<b>Total</b>	<b>246,667,587,219.07</b>	<b>232,334,802,000</b>	Satisfactory	
	Total Approved Budget (₦)	Actual Outturn (₦)														
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<b>Total</b>	<b>246,667,587,219.07</b>	<b>232,334,802,000</b>														

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	$\frac{\text{₦}246,667,587,219.07 - \text{₦}232,334,802,000}{\text{₦}246,667,587,219.07} \times 100$ $= 5.81\%$ <p>The budget performance deviation is 5.81%</p> <p><b>Source:</b> 2021 Audited Financial Statement Pages 10 &amp; 11 and Actual Expenditure Pages 10 &amp; 11. Approved Budget Expenditure Page 1 and Appropriation Act Pages 5 &amp; 6.</p> <p>IVA compared the copies of the Audited Financial Statement 2021 downloaded with that provided at the field by the State. The total figures for income, expenditure, assets and liabilities are the same. However, the downloaded copy of Audited Financial Statement 2021 did not include notes to the financial statements while that which was provided by the States includes notes to the financial statements.</p> <p>IVA also compared the budgeted figures in the downloaded copy of the Audited Financial Statement 2021 against the final approved Appropriation Act 2021. IVA identified the following discrepancies:</p> <p>Recurrent expenditure:          AFS 2021 - ₦82,264,387,000          Appropriation Act 2021 - ₦82,057,386,938.30          Difference - ₦207,000,062</p> <p>Capital expenditure:          AFS 2021 - ₦164,403,200,000          Appropriation Act 2021 - ₦164,610,200,280.77          Difference - ₦207,000,280.77</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>However, the figure for the total budgeted expenditure (i.e. the aggregate amount of recurrent and capital expenditure) reported in the Audited Financial Statement is the same with the figure stated in the approved annual budget and appropriation act 2021.</p> <p>The financial statement figures or values published online on the State's website are one and the same with the AFS 2021 Hard Copy obtained. However, the published AFS 2021 did not include notes to the financial statements. IVA relied on the hard copy provided by the State for the notes to the financial statements.</p>		
<b>DLI 2: Increased Openness and Citizens' Engagement in the Budget Process</b>				
<b>DLR 2.1</b>	<p><b>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget</b></p> <p><b>AND</b></p> <p><b>Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms</b></p>		<b>Achieved</b>	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government	<p><b>The documents obtained and reviewed include the following:</b></p> <ul style="list-style-type: none"> <li>i. attendance register</li> <li>ii. Minute of the Consultative Forum</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>authorities and State-based CSOs?</p>		
	<p>a) The LGAs’ representatives in attendance were:</p> <ul style="list-style-type: none"> <li>i. Kaduna South Local Government Area</li> <li>ii. Zaria Local Government Area</li> <li>iii. Chikun Local Government Area</li> </ul> <p>b) The Citizens, Citizens groups, state-based CBOs, state-based CSOs representatives and their organizations in attendance were:</p> <p><b><u>Citizens</u></b></p> <ul style="list-style-type: none"> <li>i. Ambassador Ahmad Muhammed - ABU</li> <li>ii. Com. Nurudeen Jumare - ATBU</li> <li>iii. Naja’atu A. Sadiq - DSS</li> </ul> <p><b><u>CSOs</u></b></p> <ul style="list-style-type: none"> <li>i. Chukwuemeka Joshua - OGP/Open Kaduna Radio</li> <li>ii. Aliyu Ahmed Tijani - Lifeline/KADBEAM</li> <li>iii. Rahmatu Ahmed - Joint National Association of Person Leaving with Disability</li> <li>iv. Alleri Waje - CALPED</li> </ul> <p><b><u>CBOs</u></b></p> <ul style="list-style-type: none"> <li>i. Abdulazeez Isa - Magarin Gari Youth Association Development</li> <li>ii. Victoria K. Magaji - Follow the Money</li> <li>iii. Mrs Funke Bamidele - FIDA</li> <li>iv. Hon Adamu Chado - Arewa Peoples’ Forum</li> <li>v. Sefiu B. Abdulsalam - Step Forward Charity Foundation</li> </ul>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) The sources of information from which our conclusions were drawn were minutes of public consultation, attendance list and questionnaires.</p> <p>d) The meeting was held on 16th November 2021 physically at the Kaduna State House of Assembly.</p> <p>e) The total number of attendees as confirmed on the attendance sheet presented was 69. Ten (10) attendees randomly selected were called, and they confirmed their attendance.</p> <p>f) The budget was drafted on the 23<sup>rd</sup> November, 2021. This was obtained from the Governor's Letter of Transmitter of 2022 Budget to the State House of Assembly. The IVA obtained Letter of Transmitter of Budget to the State Assembly as evidence to confirm that the drafting of the budget took place after the consultation. The date of the consultation and the date of the draft budget were 16th November 2021 and 23<sup>rd</sup> November, 2021 respectively. The consultation was done first.</p> <p>g) The date of online publication of the proposed budget was 31st January 2022.</p> <p>h) The Proposed Budget was published on the deadline of 31st January 2022.</p> <p>i) The web link for the publication of the proposed budget is: <a href="https://pbc.kadgov.ng/budget.php">https://pbc.kadgov.ng/budget.php</a>. This was accessed on 01/07/2022.</p>		
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by	a) The minutes were co-signed by the CSO though the name was not indicated in the Minute. A copy of the signed minutes has been retained on the file. The	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
	<p>their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2022 to enable citizens to find the inputs easily?</p>	<p>names of attendees are not indicated anywhere and the attendance register was not published.</p> <p>The State needs to provide confirmation to reveal which CSOs signed the minutes and provide evidence of same.</p> <p>The State responded as follows:          “The Name of the Civil Society Co-Chair that signed the minutes of the 2022 budget Town Hall meeting is Hadiza Umar. You may wish to contact her on her phone number (08032014612) and email address (hadizaumar2002@gmail.com) for confirmation.”</p> <p>The State also attached a picture of the Co-Chair CS and Management staff of the Planning Commission during the 2023 Budget Town Hall meeting.</p> <p>IVA finds the State’s response as satisfactory.</p> <p>b) The title and date of the Minutes was Report of the Public Hearing on 2022 Draft Budget held on 16th November 2021.</p> <p>c) The signatories represented The Government and the Civil Society.</p> <p>d) The web link to the publication is as shown below:  <a href="https://pbc.kadgov.ng/report.php">https://pbc.kadgov.ng/report.php</a>          and date of publication (31/01/2022).          This was accessed on (01/07/2022).</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		e) The published minutes were adequately sign-posted on the website.		
3	Has the State published online, on the State website(s) a Citizens Budget based on the Approved Budget (2021) not later than 30 April 2021?	<p>a) The Citizens Budget based on the Approved Budget (2021) was published on 24th April 2021 before the due date of 30th April 2022 via <a href="https://pbc.kadgov.ng/budget.php">https://pbc.kadgov.ng/budget.php</a> accessed on 1st July, 2022.</p> <p>b) A comparison of the Approved Budget 2021 with the Citizens Budget was done and there was no significant area of discrepancy between the Approved Budget and Citizens' Budget 2021.</p> <p>c) The Citizen's budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template. The following headlines were presented:</p> <ul style="list-style-type: none"> <li>i. Simple explanation of the annual approved budget/citizen's budget. Page 1</li> <li>ii. The sources of revenues. Pages 7 -9</li> <li>iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. Pages 3 -6</li> <li>iv. Total expenditure by economic classifications. Pages 12 – 13</li> <li>v. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. Pages 7 – 10</li> <li>vi. Disclosure of Budget deficit (if any) and how it will be financed. Pages 15-16</li> <li>vii. Sectoral Allocation (by MDAs). Pages 17 – 20</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>viii. Top Projects to be financed (at least 5). Page 28</p> <p>d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included.</p> <p>e) The State used the suggested format.</p>		
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	<p>a) The Citizens Budget included an explanation of the key components /information in the Approved FY21 Budget.</p> <p>b) We confirmed that the Approved FY21 State Budget was summarized in a comprehensible manner to the Citizens in the Citizens Budget.</p>	Satisfactory	
5	Does the State website have functional feedback and response online mechanisms?	<p>a) The State has established functional feedback and response online mechanisms on the website of Kaduna State Planning and Budget Commission.</p> <p>b) The type of feedback mechanism established on the State's website is an Online Feedback Submission Form.</p> <p>c) The State's feedback mechanism provides at a minimum:</p> <ul style="list-style-type: none"> <li>i. Acknowledgement of receipt of comments/feedbacks from citizens</li> <li>ii. State's responses to comments/feedbacks</li> <li>iii. Display of timeframe and the State's government contact details.</li> </ul> <p>IVA obtained screenshots of items i - iii above as evidence and retained in the assessment file.</p> <p>d) A test conducted to ascertain the functionality of the feedback mechanism was filling of the Online</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Feedback Submission Form. The Form requires name, email address and the message. After submission, the message, 'your message was sent successfully, was displayed.</p> <p>e) A demonstration was done by a staff of Planning and Budget Commission to provide further evidence to demonstrate how the State has responded to feedback submitted online.</p> <p>Summarily, in the presence of the staff of the Planning and Budget Commission, IVA filled the Feedback Online Form which required name, email, phone number and details. The message was sent and in about a minute, the IVA received an email from the State, promising to provide its request. In less than 10 minutes, IVA request was sent to its email</p> <p>f) Conclusively, the IVA confirms that the State's feedback mechanism is functional.</p> <p>g) The weblink for the feedback mechanism is Inserted thus: <a href="https://pbc.kadgov.ng/index.html">https://pbc.kadgov.ng/index.html</a></p>		
<b>DLR 2.2</b>	<b>Citizen's Accountability Report based on audited financial statements/report published online for FY2020 not later than 30th September 2021.</b>		<b>Not Achieved</b>	
1	Did the State prepare the Citizens Accountability Report to explain the full Annual Audit Report in a summarized form?	<p>a) The Citizen's Accountability Report has been downloaded.</p> <p>b) A review was done on the downloaded Citizens Accountability Report.</p>	Unsatisfactory	The State CAR should be a summarized form of the Annual Audit Report

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) The Citizen’s Accountability Report was published on September 30, 2021 and the IVA confirms a copy is retained on the file.</p> <p>d) The IVA compared the full Annual Audit Report for FY2020 with the Citizens Accountability Report and noted the following discrepancies:</p> <p>There were differences between Total Receipt and Total Expenditure in the Citizen's Accountability Report and Audit Report. The CAR reported the sum of ₦190,328,208,275.63 and ₦197,306,310,758.04 as Total Receipt and Total Expenditure respectively. However, the Audit Report recorded the sum of ₦137,820,397,000 and ₦223,601,719,000 as receipt and expenditure respectively. An APA issue was raised and the State’s explanation is: “The Office of the Auditor General did not recognize Capital Receipt entirely and part of the IGR thus resulting to the variance of N52,507,811,276.</p> <p>While for expenditure, the Auditor General recognized the approved budget of N233.6bn instead of N197.3bn as actual expenditure as reported in the financial statement.</p> <p>The State is required to reconcile the CAR with the office of the Auditor General . This will however not have any impact on the outcome of this assessment as the deadline has passed.</p> <p>e) The IVA obtained and reviewed the evidence of public consultations with Citizens to explain the FY2020 financial statement.</p>		
2	Has the State published a Citizens Accountability Report based on the Annual Financial	a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published on 30/09/2021 via	Unsatisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
	<p>statements/ Audit Report for FY 2020 not later than 30 September 2021?</p>	<p><a href="https://pbc.kadgov.ng/report.php">https://pbc.kadgov.ng/report.php</a> and accessed by IVA on 01/07/2022.</p> <p>b) The IVA compared the full Annual Audit Report for FY2020 with the Citizens Accountability Report and there were discrepancies:</p> <p>There were significant differences between Total Receipt and Total Expenditure in the Citizen's Accountability Report and Audit Report. The CAR reported the sum of ₦190,328,208,275.63 and ₦197,306,310,758.04 as Total Receipt and Total Expenditure respectively. However, the Audit Report recorded the sum of ₦137,820,397,000 and ₦223,601,719,000 as receipt and expenditure.</p> <p>c) The Citizen's Accountability Report was prepared according to the Template provided to the State. The following were presented:</p> <ul style="list-style-type: none"> <li>i) Simple explanation of the Citizens Accountability Report and Executive Summary. Page 3</li> <li>ii) The Budget Outturn. Pages 4-5</li> <li>iii) The Revenue Outturn. Pages 6-8</li> <li>iv) The Expenditure Outturn. Pages 9-10</li> <li>v) The Audit Findings. Pages 11-12</li> <li>vi) The Audited Financial Statements. Pages 13-15</li> <li>vii) Top Sectoral Allocations. Pages 16-21</li> <li>viii) Top Value Capital Projects. Pages 22-24</li> <li>ix) Citizens-Nominated Projects-Implementation Status Report. Pages 25-26</li> </ul>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) The minimum required citizen's accountability report information outlined above (extracted from the Template) has been included.</p> <p>e) The suggested format was used.</p>		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	<p>a) The Citizen's Accountability Report presented in a summarized manner, the Audited Financial Statement or Annual Audit Report FY2020.</p> <p>b) The Citizens Accountability Report included a concise explanation of the key components of the FY2020 Audited Financial Statements.</p> <p>c) The IVA obtained the Minute of Public Consultation and Attendance List of the participants as evidence to show that public consultation was held on the 9th of September 2021 for the presentation of CAR. However, The Minute in the Microsoft Word document was not signed by both executive and CSO. Both Minute and Attendance List have been retained on assessment file.</p> <p>We confirmed that the FY20 Annual Audit Report or Audited Financial Statement was summarized in a comprehensible manner to the Citizens in the Citizens Accountability Report. However, there were significant differences observed between the CAR and the FY 20 annual audit report. We further confirmed that the CAR was published online by the deadline and presented at a public consultation held on 9th of September, 2021.</p>	Satisfactory	
<b><i>DLI 3: Improved Cash Management and reduced Revenue</i></b>				
<b><i>Leakages through Implementation of State TSA</i></b>				
<b>DLR 3.0</b>	<b>Improved cash management and reduced revenue</b>			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	leakages through the implementation of State TSA		Achieved	
1	Has the State established a functional State-level TSA?	<p><b>[Tests Nos. 2-5 below were first concluded and based on our findings; IVA responded to this test No. 1]</b></p> <p>a. The State has established a functional state-level TSA.</p> <p>b. The State operates one account for both the FAAC and VAT inflows and another account for IGR which is swept monthly into the TSA. The account details for the following are:</p> <ul style="list-style-type: none"> <li>● IGR Main Account: Account name: Kaduna State IGR Account Account number:1020690459 Bank name: United Bank for Africa (UBA Plc)</li> <li>● FAAC Account: Account name: KDSG TSA Account, Account number: 0100126961019 Bank name: Central Bank of Nigeria</li> <li>● VAT Account: Account name: KDSG TSA Account, Account number: 0100126961019 Bank name: Central Bank of Nigeria</li> </ul>	Satisfactory	
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide</p>	<p>The State has a cash management strategy.</p> <p>a) The document name is "Kaduna State Government Treasury Single Account Operations Manual"</p> <p>b) It was produced in September, 2016 and signed by the then Accountant General of Kaduna State, Waziri Umar Hassan.</p> <p>c) The Strategy on Paragraph 3.3 page 19 and 3.9, Table 3.1 page 28 covers the processes through which the State Ministry of Finance or Budgets/Economic Planning</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	reliable information on the availability of funds.	<p>can forecast cash commitments and requirements and provide reliable information on the availability of funds.</p> <p>d) The State's policy on sweeping of balances from other collecting banks is daily as seen in the Cash management strategy paragraph 3.6 page 26 and Treasury Circular page A1.</p> <p>e) There is evidence of implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds. The existence of cash commitments and requirements forecasts at the intervals stated in the cash management strategy (monthly) was checked. (i.e., the monthly cash plan).</p>		
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)?	<p>The State has a computer application where the State can view the cash balances in the bank account(s).</p> <p>a) The computer application's name is Microsoft Dynamics Navision, and the producer of the app is Microsoft Inc.</p> <p>b) It is in line with the approved cash management strategy.</p> <p>c) It was first deployed in 2009 and then updated in 2015/2016</p>	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	<p>a) The IVA visited the Kaduna State internal Revenue Service, Kaduna State Ministry of works and infrastructure, Ministry of Education and Ministry of Health as revenue generating MDAs. Interviews were conducted and questionnaires were administered. The Director of finance and administration (DFA) in these three MDAs were interviewed. All three DFAs confirmed that all revenues collected by the MDAs are done centrally through the IRS portal (Pay Direct) at the</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	consolidated revenue account as part of the TSA.	<p>various 18 Deposit Money Banks (DMBs). The revenues are swept daily from the different collecting DMBs into the IGR pool account in UBA before being swept monthly into the TSA. The answered TSA Questionnaire for the Revenue Generating MDA's, 5 Selected Fee Payers as well as copies of the treasury receipt were also obtained as evidence to confirm the existence of TSA at each MDA visited. These have been retained in the assessment file.</p> <p>b) The State's TSA is KDSG TSA Account with Central Bank of Nigeria Kaduna Branch, and the Account number is 0100126961019</p> <p>c) All Government monies go through this account.</p> <p>d) All Government monies do not sit in the other revenue collecting banks.</p> <p>e) A copy of the TSA bank Statement was obtained.</p>		
5	Does the TSA cover a minimum of 80% 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. The State in a one-page report (uploaded in DLI 1.2 folder) stated thus: "It is important to emphasize that Statements 1 – 4 have been prepared strictly under Accrual Basis IPSAS in which transactions were recognized when they occur and not just when cash is paid or received. Consequently, Statement of Cash flows (Statement 3) had some obvious elements of accruals since it is often adjusted for prepayments and accruals before arriving at cash flow generated from operations". Thus, IVA relied on the Statement of Budget versus Actual to calculate the total inflow and outflow instead of the Cash Flow statement.</p> <p>See the computation below:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations																																																
			Total Inflows (₦)	Total Outflows (₦)																																																		
		TSA Bank Statement	192,012,493,836.27	210,322,175,147.64																																																		
		Government Finances*	192,767,618,000.00	232,334,802,000.00																																																		
		Percentage	100	91																																																		
		<p>The average percentage computation is:</p> $\frac{100\% + 91\%}{2} = 95.5\%$ <p>The TSA covered 95.5% of the State's finances.</p> <p><b>*Sources:</b> 2021 Audited Financial Statement (Statement of Budget Vs actual) Pages 10-11 and the TSA Statement from (Central Bank of Nigeria for the period January - December 2021).</p> <table border="1"> <thead> <tr> <th colspan="4"><u>COMPUTATION OF GOVERNMENT FINANCES</u></th> </tr> <tr> <th>Line Items</th> <th>Statement</th> <th>Page No</th> <th>Cash Figures</th> </tr> </thead> <tbody> <tr> <td colspan="4"><u>CASH INFLOW</u></td> </tr> <tr> <td>Total revenue</td> <td>Budget Vs Actual</td> <td>10</td> <td>146,151,387,000.00</td> </tr> <tr> <td>Less FAAC Accrual</td> <td>Note 23 &amp; 4A</td> <td>49 &amp; 38</td> <td>5,929,214,000.00</td> </tr> <tr> <td>Cash Revenue</td> <td></td> <td></td> <td>140,222,173,000.00</td> </tr> <tr> <td>long term borrowing</td> <td>Budget Vs Actual</td> <td>10</td> <td>52,462,665,000.00</td> </tr> <tr> <td><b>TOTAL INFLOW</b></td> <td></td> <td></td> <td><b>192,684,838,000.00</b></td> </tr> <tr> <td colspan="4"><u>CASH OUTFLOW</u></td> </tr> <tr> <td>Recurrent expenditures</td> <td>Budget Vs Actual</td> <td>10</td> <td>69,699,924,000.00</td> </tr> <tr> <td>Capital expenditures</td> <td>Budget Vs Actual</td> <td>11</td> <td>162,634,878,000.00</td> </tr> <tr> <td><b>TOTAL OUTFLOW</b></td> <td></td> <td></td> <td><b>232,334,802,000.00</b></td> </tr> </tbody> </table> <p>The results of IVA review of inflows and outflows shown on the TSA Statements to identify spurious items that</p>					<u>COMPUTATION OF GOVERNMENT FINANCES</u>				Line Items	Statement	Page No	Cash Figures	<u>CASH INFLOW</u>				Total revenue	Budget Vs Actual	10	146,151,387,000.00	Less FAAC Accrual	Note 23 & 4A	49 & 38	5,929,214,000.00	Cash Revenue			140,222,173,000.00	long term borrowing	Budget Vs Actual	10	52,462,665,000.00	<b>TOTAL INFLOW</b>			<b>192,684,838,000.00</b>	<u>CASH OUTFLOW</u>				Recurrent expenditures	Budget Vs Actual	10	69,699,924,000.00	Capital expenditures	Budget Vs Actual	11	162,634,878,000.00	<b>TOTAL OUTFLOW</b>			<b>232,334,802,000.00</b>
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	<p>increase the year end totals for no justifiable reason has been inserted below.</p> <p>The adjustments made to the TSA Year end totals to remove the spurious entries/transactions before conducting the calculations shown above has been set out in the table below.</p> <table border="1" data-bbox="711 472 1287 1385"> <thead> <tr> <th>DATE</th> <th>DESCRIPTION</th> <th>DEBIT</th> <th>CREDIT</th> </tr> </thead> <tbody> <tr> <td></td> <td><b>Total TSA Outflows and Inflows</b></td> <td><b>-213,111,054,886.60</b></td> <td><b>206,471,604,726.64</b></td> </tr> <tr> <td></td> <td><b>less interbank transfers and contra entries</b></td> <td></td> <td></td> </tr> <tr> <td>08-Apr-21</td> <td>Account to Account FROM Kaduna State Govt IRO KDSG staff salaries for t</td> <td></td> <td>1,000,000,000.00</td> </tr> <tr> <td>17-Jun-21</td> <td>KADUNA STATE ECOLOGICAL FUNDS ACCOU - WEMA BANK LTD</td> <td></td> <td>170,000,000.00</td> </tr> <tr> <td>08-Jul-21</td> <td>KADUNA STATE GOVT TSA UNITY BANK PLC</td> <td></td> <td>200,000,000.00</td> </tr> <tr> <td>14-Jul-21</td> <td>TRANSFER OF FUNDS FROM TSA CAPITAL TO TSA MAIN JULY,2021</td> <td></td> <td>1,768,392,182.93</td> </tr> <tr> <td>05-Aug-21</td> <td>TRANSFER OF FUNDS FROM TSA SALARY A/C TO TSA MAIN A/C</td> <td></td> <td>100,000,000.00</td> </tr> <tr> <td>09-Sep-21</td> <td>TRANSFER FROM KDS WATER BOARD SUB- ACCOUNT TO MAIN TSA A/C</td> <td></td> <td>230,202,240.00</td> </tr> <tr> <td>16-Sep-21</td> <td>TRANSFER OF FUNDS FROM KADUNA STATE GOVT. SALARY TSA TO KDSG MAIN ACCT.</td> <td></td> <td>100,000,000.00</td> </tr> <tr> <td>09-Nov-21</td> <td>TRANSFER OF FUNDS FROM CAPITAL ACCOUNT TO KDSG TSA MAIN ACCOUNT</td> <td></td> <td>1,325,353,459.10</td> </tr> <tr> <td>09-Nov-21</td> <td>TRANSFER OF FUNDS FROM CAPITAL ACCOUNT TO KDSG TSA MAIN ACCOUNT</td> <td></td> <td>1,000,000,000.00</td> </tr> <tr> <td>15-Dec-21</td> <td>TRANSFER OF FUNDS FROM CAPITAL ACCOUNT TO KDSG TSA MAIN ACCOUNT</td> <td></td> <td>2,220,000,000.00</td> </tr> <tr> <td>15-Dec-21</td> <td>TRANSFER OF FUNDS FROM TSA SALARY TO TSA MAIN</td> <td></td> <td>1,576,443,447.45</td> </tr> <tr> <td>22-Dec-21</td> <td>KADRA CAPITAL PROJECT ACCOUNT ZENITH INTERNAT BANK LTD</td> <td></td> <td>1,679,839,821.93</td> </tr> <tr> <td>22-Dec-21</td> <td>KAD INT REV SERV MVA REVOLVING AC ZENITH INTERNAT BANK LTD</td> <td></td> <td>300,000,000.00</td> </tr> <tr> <td>30-Dec-21</td> <td>KADUNA STATE GOVT - CAPITAL TSA KDSG TSA MAIN</td> <td>-2,788,879,738.96</td> <td></td> </tr> <tr> <td>30-Dec-21</td> <td>Account to Account KDSG TSA CAPITAL</td> <td></td> <td>2,788,879,738.96</td> </tr> <tr> <td></td> <td><b>NET CASH OUTFLOW AND INFLOW</b></td> <td><b>-210,322,175,147.64</b></td> <td><b>192,012,493,836.27</b></td> </tr> </tbody> </table>	DATE	DESCRIPTION	DEBIT	CREDIT		<b>Total TSA Outflows and Inflows</b>	<b>-213,111,054,886.60</b>	<b>206,471,604,726.64</b>		<b>less interbank transfers and contra entries</b>			08-Apr-21	Account to Account FROM Kaduna State Govt IRO KDSG staff salaries for t		1,000,000,000.00	17-Jun-21	KADUNA STATE ECOLOGICAL FUNDS ACCOU - WEMA BANK LTD		170,000,000.00	08-Jul-21	KADUNA STATE GOVT TSA UNITY BANK PLC		200,000,000.00	14-Jul-21	TRANSFER OF FUNDS FROM TSA CAPITAL TO TSA MAIN JULY,2021		1,768,392,182.93	05-Aug-21	TRANSFER OF FUNDS FROM TSA SALARY A/C TO TSA MAIN A/C		100,000,000.00	09-Sep-21	TRANSFER FROM KDS WATER BOARD SUB- ACCOUNT TO MAIN TSA A/C		230,202,240.00	16-Sep-21	TRANSFER OF FUNDS FROM KADUNA STATE GOVT. SALARY TSA TO KDSG MAIN ACCT.		100,000,000.00	09-Nov-21	TRANSFER OF FUNDS FROM CAPITAL ACCOUNT TO KDSG TSA MAIN ACCOUNT		1,325,353,459.10	09-Nov-21	TRANSFER OF FUNDS FROM CAPITAL ACCOUNT TO KDSG TSA MAIN ACCOUNT		1,000,000,000.00	15-Dec-21	TRANSFER OF FUNDS FROM CAPITAL ACCOUNT TO KDSG TSA MAIN ACCOUNT		2,220,000,000.00	15-Dec-21	TRANSFER OF FUNDS FROM TSA SALARY TO TSA MAIN		1,576,443,447.45	22-Dec-21	KADRA CAPITAL PROJECT ACCOUNT ZENITH INTERNAT BANK LTD		1,679,839,821.93	22-Dec-21	KAD INT REV SERV MVA REVOLVING AC ZENITH INTERNAT BANK LTD		300,000,000.00	30-Dec-21	KADUNA STATE GOVT - CAPITAL TSA KDSG TSA MAIN	-2,788,879,738.96		30-Dec-21	Account to Account KDSG TSA CAPITAL		2,788,879,738.96		<b>NET CASH OUTFLOW AND INFLOW</b>	<b>-210,322,175,147.64</b>	<b>192,012,493,836.27</b>		
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p><b>Note:</b> State's Annual Outflow in 1.2 (Actual) is the same as that in the table above shown as Government Finances (Outflow).</p> <p>No material difference exists between either the total TSA inflows or outflows and the Audited Financial Statement inflows and outflows thus no APA issue seeking explanation was raised.</p>		
<b>DLI 4: Strengthened Internally Generated Revenue (IGR) Collection</b>				
<b>DLR 4.1</b>	<b>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</b>		<b>Previously Achieved In 2019 APA</b>	
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	Previously Achieved In 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) or the State Internal Revenue Service (SIRS) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?	Previously Achieved In 2019 APA		
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	Previously Achieved In 2019 APA		
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?  It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2021.	Previously Achieved In 2019 APA		
5	Is the Publication published online, so it is automatically	Previously Achieved In 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																																																								
	available to the public/all taxpayers?																																																											
<b>DLR 4.2</b>	<b>Annual nominal IGR growth rate meets target</b>		<b>Not Achieved</b>																																																									
1	<p>Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets?</p> <p><b>Basic Target:</b> 20% - 39%</p> <p><b>Stretch Target:</b> 40%</p>	<p>a. IPSAS accrual accounting basis was used for revenue reporting in 2020 and 2021 from the Audited Financial Statements and State Auditor-General's Report.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1"> <thead> <tr> <th>REPORTING TEMPLATE: OPTION A</th> <th>₱</th> <th>₱</th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2020</th> <th>2021</th> <th></th> </tr> </thead> <tbody> <tr> <td>Memo: Reported IGR in AFS (Before Adjustments)</td> <td>50,768,523,000</td> <td>52,412,306,000</td> <td>3%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>VALID IGR items to be counted as IGR</b></td> <td><b>48,819,507,069</b></td> <td><b>52,386,968,956</b></td> <td></td> </tr> <tr> <td>Direct tax</td> <td>26,277,002,000</td> <td>30,399,137,000</td> <td></td> </tr> <tr> <td>Personal income tax (PAYE)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Licences</td> <td>804,268,000</td> <td>2,882,677,000</td> <td></td> </tr> <tr> <td>Levies</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Fees</td> <td>19,600,767,000</td> <td>16,509,876,000</td> <td></td> </tr> <tr> <td>Fines</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Charges</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sales of goods and services</td> <td>253,576,069.34</td> <td>1,284,970,956.25</td> <td></td> </tr> <tr> <td>Earnings (Excluding interest</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION A	₱	₱	% GROWTH	Item	2020	2021		Memo: Reported IGR in AFS (Before Adjustments)	50,768,523,000	52,412,306,000	3%					<b>VALID IGR items to be counted as IGR</b>	<b>48,819,507,069</b>	<b>52,386,968,956</b>		Direct tax	26,277,002,000	30,399,137,000		Personal income tax (PAYE)				Licences	804,268,000	2,882,677,000		Levies				Fees	19,600,767,000	16,509,876,000		Fines				Charges				Sales of goods and services	253,576,069.34	1,284,970,956.25		Earnings (Excluding interest				Unsatisfactory	The State should ensure significant year on year improvements in their IGR collection.
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		or investment income)					
		Rent of govt. property/building	1,883,898,000	1,310,308,000			
		Other					
		"Adjusted IGR" for DLI 4.2 Calculation					
		Sum of all VALID items of IGR if AFS has that detail	48,819,507,069	52,386,968,956	7%		
		$\frac{\text{₦}52,386,968,956 - \text{₦}48,819,507,069}{\text{₦}48,819,507,069} \times 100$ $= 7\%$ <p>The annual nominal growth was 7%</p> <p>The annual nominal growth is 7%. Result not achieved as the annual nominal growth falls below 20%</p> <p><b>Source:</b> 2021 Audited Financial Statement Pages. 10, 38(4A) and 73-82</p>					
<b>DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud</b>							
<b>DLR 5.1</b>	<b>Biometric capture of at least [95] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll</b>					<b>Achieved</b>	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric	The State commenced and completed the Biometric data capture of the Civil Servant and Pensioners in 2016.				Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations				
	<p>exercise for 95% of the current civil servants and pensioners on the State payroll?</p> <p>a) The biometric capture exercise was outsourced to Nigeria Inter-Bank Settlement System Plc (NIBSS)</p> <p>b) The total number of Civil Servants is 32,137</p> <p>c) The total number of Pensioners is 16,516</p> <p>d) The total number of Civil Servants and Pensioners on the State Nominal roll and Payroll is 48,653 (Civil Servants 32,137 and Pensioners 16,516)</p> <p>e) The total number of Civil Servants and Pensioners on the Nominal roll and payroll changed by 2% in comparison with the previous year.</p> <p>See computation below</p> <table border="1" data-bbox="743 712 1377 841"> <tr> <td>Total No. of Civil Servants and Pensioners 2020</td> <td>47,726</td> </tr> <tr> <td>Total No. of Civil Servants and Pensioners 2021</td> <td>48,653</td> </tr> </table> $\frac{48,653 - 47,726}{47,726} \times 100 = 2\%$ <p>f) The biometrics data of 47,578 (Civil Servants 31,062 and Pensioners 16,516) have been captured.</p> <p>g) The documents obtained for the conclusion are a hard copy report from the pension office and a report from the Ministry of Finance on biometrics, page number 1 to 15, including 40 copies of BVN capturing screenshots.</p> $\frac{47578}{32137 + 16516} \times 100 = 97.8\%$	Total No. of Civil Servants and Pensioners 2020	47,726	Total No. of Civil Servants and Pensioners 2021	48,653		
Total No. of Civil Servants and Pensioners 2020	47,726						
Total No. of Civil Servants and Pensioners 2021	48,653						

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The State had captured 97.8% biometrics of the civil servants and pensioners on its payroll.		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<p>a) The State commenced the linkage of the biometric data to the payroll in 2016</p> <p>b) The number of staff biometrics data that have been linked to the payroll is 32,137 and the number of pensioners biometrics data that have been linked to the payroll is 16,496.</p> <p>c) No ghost workers were detected during the biometric validations.</p> <p>d) No amount of money was saved from the ghost workers, as the state does not have ghost workers.</p> <p>e) In-year changes to the Civil Servant and Pensioner payrolls (as a result of starters, leavers, deaths, etc.) are captured by the biometric exercise.</p> <p>f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths. The state has a system called <b>"I'm Alive Verification"</b> put in place to reflect death, leavers, retirees etc. The system is linked to NIBSS and produces a monthly report to show payment that were declined during the month. List of failed items are then scrutinized, and members are required to report within 90 days for verification to continue payment. 40 samples (20 civil servants and 20 pensioners) were selected and tested on the system to identify if the persons with biometric data capture. Screenshots of these have been obtained and retained in the assessment file.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>g) There were changes to the civil servant and pensioner payrolls during the fiscal year (as a result of starters, leavers, deaths, etc.).</p> <p>h) These changes were captured by the biometric exercise.</p> <p>i) The I'm "Alive verification" is the procedure in place to identify and remove ghost workers.</p>		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<p>a) No ghost workers were detected during the linkage.</p> <p>b) No ghost worker was identified.</p> <p>c) No ghost worker identified and non was removed from the payroll</p> <p>d) The total payments (emoluments of employee and pensioners) remain the same since there was no ghost workers.</p> <p>e) The total payments (emoluments of employee and pensioners) remain the same since there was no ghost workers.</p> <p>f) IVA source(s) of this information is a report of BVN and Payroll verification exercise pages 1-15</p>	Satisfactory	
5.2	<b>Link BVN data to at least [95] percent of current civil servants and pensioners on the payroll and payroll fraud addressed</b>		<b>Achieved</b>	
1	Has the State linked the Bank Verification Number data to <b>95%</b> of its current Civil Servants and pensioners on the State payroll?	<p>State commenced and completed the linkage of BVN data of the Civil Servant and Pensioners in 2016</p> <p>a) The BVN linkage and capture of civil servants and pensioners was outsourced to NIBSS.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>b) The total number of civil servants is 32,137 and the number of pensioners is 16,516. (32,137 + 16,516 = 48,653).</p> <p>c) The total number of civil servants and pensioners on the State Nominal roll is 32,137 and 16,516 respectively. (32,137 + 16,516 = 48,653)</p> <p>d) The total number of BVN data linked to the payroll is 48,606 (civil servants 32,137 and pensioners 16,469)</p> <p>e) IVA obtained “Trend analysis of the state and local government pension payroll from January to December 2021” (see page 2 hard copy) and “A report on the BVN validation exercise and payroll verification exercise” in soft copy.</p> $\frac{48,606}{32,137 + 16,516} \times 100 = 99.9\%$ <p>The State has linked 99.9% of the State’s Civil Servants and Pensioners’ BVN data to the payroll.</p>		
2	Has the State taken steps to identify payroll fraud?	<p>a) All Civil Servants and Pensioners are with BVN data.</p> <p>b) No record was kept since no payroll fraud was identified.</p> <p>c) The total payments (emoluments of employee and pensioners) remain the same since there was no ghost workers.</p> <p>d) The total payments (emoluments of employee and pensioners) remain the same since there was no ghost workers.</p> <p>e) IVA source(s) of this information is a report from Kaduna State Pension Bureau- “Trend analysis of the State and</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		local Government pension payroll from January – December 2021” pages 2		
<b>DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money</b>				
<b>DLR 6.1</b>	<b>Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget</b>		<b>Previously Achieved In 2019 APA</b>	
1	Does the State have a public procurement legal framework that must be approved by the State legislature to have a legal basis, either as a law or a resolution?	Previously Achieved In 2019 APA		
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement	Previously Achieved In 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	regulatory agency; and 3) cover all MDAs receiving funds from the State budget.			
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency, or any other type of entity set up for the statutory purpose?	Previously Achieved In 2019 APA		
DLR 6.2	<p><b>No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs</b></p> <p><b>AND</b></p> <p><b>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.</b></p>		<b>Achieved</b>	

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 (2021) 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 obtained a schedule of all contracts awarded during the year under assessment.</p> <p>b) The checks IVA carried out to confirm whether the schedule is indeed complete and comprehensive are:</p> <ol style="list-style-type: none"> <li>1. Number of Contract shown for traditional large spending for MDAs</li> <li>2. Number of awards in some or several months of the year</li> <li>3. Number of contracts shown for several MDAs in the period</li> <li>4. IVA checked if the total contracts awarded per the schedule provided by the State is in line with the approved capital budget for the year or the actual capital expenditure outturn for the year.</li> </ol> <p>c) The State published the information of all contracts awarded for the year under assessment above the threshold online (The threshold amount is N20M) - See Guideline on Procurement (Page 7)</p> <p>d) The list of contracts published online is based on a review against the schedule of all contracts provided with Capital Expenditure.</p> <p>e) The data published is in line with the Open Contracting Data Standards (OCDS).</p> <p>f) The source of the publication is OCDS portal.</p> <p>A physical inspection of the Public Procurement Authority was conducted, and IVA observations confirmed that the existence of a functional State instituted procurement</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>regulatory function which is performed through Kaduna State Public Procurement Authority (KADPPA).</p> <p>g) The minimum contract award information that was published are:</p> <ul style="list-style-type: none"> <li>(i) Project name,</li> <li>(ii) Awarding institution,</li> <li>(iii) Award date,</li> <li>(iv) Name of contractor, and</li> <li>(v) The contract amount was published.</li> </ul> <p>h) All items (g) above were published.</p> <p>i) The web links where data was published are:  <a href="https://kadppaocds.azurewebsites.net/">https://kadppaocds.azurewebsites.net/</a></p> <p>IVA further observed that the data published via this link <a href="https://kadppaocds.azurewebsites.net/">https://kadppaocds.azurewebsites.net/</a> shows nil contracts by the Ministry of Health in 2022. Same for the Ministry of Health and Human Resources and for the State Health Supplies Management Agency. One contract was shown for the Primary Healthcare Board. (screen shot retained)</p> <p>Upon further request from the State, the State provided an updated web link (<a href="http://eprocurement.kdsg.gov.ng">eprocurement.kdsg.gov.ng</a>) which provided the list of contracts awarded in 2022 which included contracts awarded to Ministry of Health in 2022.</p> <p>The contract award information published on the state official website was accessible to the public.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Has the State implemented e-Procurement in at least 4 MDAs (including Education, Health, and Public Works) by June 30, 2022. The e-Procurement for the <b>2021</b> results DLI is the implementation of at least five modules: e-Registration, e-Publishing/Notification, e-Procurement Plan, e-Tendering and e-Evaluation/e-Awarding?	<p>a) The State has implemented e-procurement in at least four (4) MDAs (including Education, Health, Public Works and health supplies management agency) by 30 June 2022. The weblink for e-procurement is <a href="http://eprocurement.kdsg.gov.ng">eprocurement.kdsg.gov.ng</a></p> <p>b) IVA has obtained a report on all transactions for the four MDAs during the period 1 January 2021 to 30 June 2022 directly from the e-procurement systems.</p> <p>c) IVA has obtained a separate report of procurements for all four MDAs for the period 1 January to 30 June 2022 from the Accountant General.</p> <p>d) The go-live date for e-procurement at the 4 MDAs is 25/01/2021, and the State provided the agenda and email notification for the go-live event.</p> <p>e) A comparison of all four MDAs after go-live, with the system generated report was done and IVA confirmed that all transactions after go-live stated in the Accountant General's report for the period 1 January to 30 June 2022 were conducted through the e-procurement system. However, it shows that there were no transactions carried out in the first four months of the year 2022 on the E-procurement platform.</p> <p>f) A sample of five (5) transactions at random for each of the 4 MDAs was selected and a walkthrough test of the procurement lifecycle was conducted by IVA and the sample includes at least two of the following categories of expenditure (goods, works or services).</p> <p>g) IVA observed that The selected transactions followed the procurement lifecycle.</p> <p>h) IVA observed that no parts of the transaction were conducted outside of the e-procurement system.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>i) IVA observed that the e-Registration, e-publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules have been implemented and transactions processed through them for the period 1 January 2021 to 30 June 2022.</p> <p>j) IVA observed that the State had processed all of its procurement transactions at the 4 MDAs through the five minimum required modules after go-live for the period of 1 January to 30 June 2022 (and for a minimum of six months within that period.</p> <p>k) The evidence obtained for the selected sample transaction are screenshots of the transactions in each of the following modules:</p> <ul style="list-style-type: none"> <li>a. E- registration</li> <li>b. E- bid submission</li> <li>c. E- bid opening</li> <li>d. E- evaluation</li> <li>e. E- awarding</li> </ul> <p>Note: A schedule of awarded contracts was seen through the 'Awarded contracts' tab on the e-procurement portal. (see <a href="https://eprocurement.kdsg.gov.ng/epps/viewAllAwardedContracts.do?d-3998960-p=&amp;T01_ps=100">https://eprocurement.kdsg.gov.ng/epps/viewAllAwardedContracts.do?d-3998960-p=&amp;T01_ps=100</a>).</p> <p>113 contract awards were seen of which the earliest award date in 2022 was 18/05/2022. This indicates the e-procurement system was not in use in the early part of the year. The State was required to clarify this position.</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

The State responded thus: “Public procurement is process that involves threshold of approvals and steps/stages.

Right from the Budget approval, Procurement Plan Defense & Publications, Approval to commence the Projects, Publication of the Process, Bid Opening, Evaluation, Resident Due Process meeting & recommendations to award and 'No objection' to award.

All aforementioned before it leads to Project Award. This obviously resulted in the delay of the award Publication.”

IVA also noted that the State is understood to have started the implementation of e-procurement much earlier than other States and certainly in 2021.

The State was further requested to provide better evidence to establish that the system was in use in the first 4-5 months of 2022, for all the Pilot MDAs. Otherwise, the conclusion for this test may be unsatisfactory.

The State responded to the IVA’s request as follows:

“The e-GP System adopted by Kaduna State Public Procurement Authority is an integrated system, with five key Modules- E-Registration, e-Publishing/Notification, e-Tendering, and e-Evaluation/e-Awarding modules. Each module is linked to another. Each Module also has several interlinked steps with a terminal outcome.”

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>The State further provided some weblinks that showed additional procurement activities on the e-procurement portal as follows:</p> <p>1. PROCUREMENT PLAN (APDP) OF ALL THE MDAs Was PUBLISHED ON 28th FEBRUARY, 2022 .</p> <p>Refer to the e-Procurement link below for evidence of APDP Publication:</p> <p><a href="https://eprocurement.kdsg.gov.ng/epps/app/viewPublication.do?d-147790-p=&amp;T02_ps=20">https://eprocurement.kdsg.gov.ng/epps/app/viewPublication.do?d-147790-p=&amp;T02_ps=20</a></p> <p>2. PUBLICATION OF SOME PROCESSES AND BID OPENING HAPPENED BEFORE THE MONTH OF JUNE, 2022</p> <p>Refer to the e-Procurement link below for the evidence of Bid openings (Including Bid opening report):</p> <p>a). KADUNA STATE HEALTH SUPPLIES MANAGEMENT AGENCY had 22 Bid Openings of their published (advertised) processes on the system:</p> <p>Refer to some examples below and the Excel sheet attached for all the Processes:</p> <p>i. Procurement of Drugs for MNCH Week</p> <p><a href="https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=15475">https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=15475</a></p> <p>DATE: 26th April, 2022</p> <p>b). Ministry of Public Works and Infrastructure had 12 Bid Openings of their published (advertised) processes on the system:</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Refer to the example below and the Excel sheet attached for all the Processes:</p> <p>i. Supply of 50No Extendable Stun Gun Batons (Extended length 550mm, contracted length 320mm, weight 550gms, built in LED flashlight</p> <p><a href="https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=16379">https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=16379</a></p> <p>DATE: 9th March, 2022</p> <p>c). Ministry of Education had Bid Opening of their published (advertised) processes on the system:</p> <p>Refer to the example below and the Excel sheet attached for all the Processes:</p> <p>i. Procurement of White Marker Board, Smart Board and other Teaching/Instructional Materials for Schools across the State</p> <p><a href="https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=15918">https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=15918</a></p> <p>DATE: 11th May, 2022</p> <p>d). Ministry of Health had 4 Bid Openings of their published (advertised) processes on the system:</p> <p>Refer to the example below and the Excel sheet attached for all the Processes:</p> <p>i. Furnish and Equip Maternity Complex, Hajiya Gambo Sawaba General Hospital, Zaria</p> <p><a href="https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=18722">https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=18722</a></p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		DATE: 27th May, 2022  IVA found the State's explanation satisfactory.		
<b>DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework</b>				
<b>DLR 7.1</b>	<b>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.</b>		<b>Previously Achieved in 2018 APA</b>	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic Public Financial Management Law?	Previously Achieved in 2018 APA		
2	Does the legislation include provisions that establish the following?	Previously Achieved in 2018 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and</p> <p>3) Fiscal and debt rules/limits for the state.</p>			
4	<p>Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the core function of recording and reporting state debt?</p>	Previously Achieved in 2018 APA		
<b>DLR 7.2</b>	<p><b>Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021</b></p> <p><b>AND</b></p> <p><b>Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021</b></p>		<b>Not Achieved</b>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 2021?	<p>a) The state submitted quarterly State Domestic Debt Reports (SDDR) (final versions) to the DMO on an average of <u>2</u> 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"> <li>● Q1 submitted on (17/5/2021) 47 days,</li> <li>● Q2 submitted on (9/8/2021) 40 days,</li> <li>● Q3 submitted on (10/11/2021) 41 days and</li> <li>● Q4 submitted on (27/1/2022) 27 days.</li> </ul> $\frac{47+40+41+27}{4}$ <p>Average = 38.75 days (5.5 weeks)</p> <p>The SDDRs were submitted within an average of 1.375 months (38.75 days).</p>	Satisfactory	
2	<p><b>Note: Have you reviewed for accuracy and completeness from the DMO:</b></p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates</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 not obtained.</p> <p>b) IVA compared the State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data with the supporting documents.</p>	n/a	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>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's Report on State Domestic and External Debt Report (SDEDR) with the Kaduna State State Debt Domestic Report along with all underlying data</p> <p>We reviewed the DMO report and the DMO report confirmed the <u>accuracy</u> and <u>completeness</u> of the State Domestic Debt Report.</p> <p>c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State have been compared with the State Audited Financial Statement.</p> <p>d) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement</p> <p>e) The discrepancies noted during the comparison are as follows.</p> <p>i. SDDR Figure: ₦61,711,008,612.16</p> <p>ii. AFS Figure: ₦195,293,684,000.00</p> <p>iii. Difference: ₦133,582,675,387.84</p> <p>f) IVA raised the APA issue requesting the state to provide detailed explanation that will clarify the identified differences. The State responded thus: Serial numbers 1-5 above refers</p> <p>1. You may wish to note that serial numbers 1-4 have differences because the SDDR reflect the figures without rounding up while the AFS rounded up figures in million</p> <p>2. DIFFERENCE IN PENSION &amp; GRATUITY SUBMISSIONS</p> <p>The State Domestic Debt Report (SDDR) is a</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
		<p>Management Report that showcases various obligations. One of such obligations is the Pension and Gratuity obligations of ₦15,656,757,529. The quoted figure is basically the outstanding pension and gratuity nominally computed by the State Pensions Board.</p> <p>Unlike similar obligations required by IPSAS 39, Employee Benefits, SDDR covers ONLY the portion of the obligations that have fallen due and for which efforts are in top gear to liquidating them. IPSAS 39 Employee Benefits requires that the recognition and measurement of Pension and Gratuity cover the following components:</p> <ul style="list-style-type: none"> <li>i. Obligations to Pensioners in retirements that are due;</li> <li>ii. Obligations to Pensioners in retirement that are not yet due (future payment till they die);</li> <li>iii. Obligations to current employees that are still in service that are not yet due (future payment till they die);</li> <li>iv. Items (i) to (iii) above to be measured using Projected Credit Unit Method (PCUM);</li> <li>v. Items (i) to (iii) above to be measured at discounted value.</li> </ul> <p>The major difference between the SDDR submission and the numbers showcased in the Annual Financial Statements is that the SDDR covers ONLY item (i) above whilst similar numbers shown in the Financial Statement covers items (i) to (v).</p> <p>In addition, the Pension and Gratuity figures in the Financial Statement was a reliable estimate that was built on the report of a Firm of Professional Actuaries undertaken in 2017.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.		
3	Has the State published online the State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) by 31 December 2021?	<p>a) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published on the State official website. However, the copy downloaded is in MS word version and not pdf.</p> <p>b) The date of publication is 30 December 2021</p> <p>c) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published by 31 December 2021. IVA obtained evidence of timestamp (and screenshots taken from the IT back end of the State's website showing date of online publication)</p> <p>d) The web link:  <a href="https://www.pbc.kadgov.ng/upload%2Fpdf%2FKaduna-State-2021%20DSA-DMS-Report.doc">https://www.pbc.kadgov.ng/upload%2Fpdf%2FKaduna-State-2021%20DSA-DMS-Report.doc</a></p>	Satisfactory	
4	Does the SDSA - DMSR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options; including a summary analysis of the projections of performance indicators used to assess Debt Management Strategy, and their implications for cost-risk profile of State debt portfolio	Upon review of the State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR), we noted that it did not include 2) detailed and adequate description of the debt portfolio and borrowing options; including a summary analysis of the projections of performance indicators used to assess Debt Management Strategy, and their implications for cost-risk profile of State debt portfolio in 2025.	Unsatisfactory	The State should ensure that the SDSA -DMSR includes a detailed description of the debt portfolio and borrowing options.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>in 2025; and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?</p> <p>The State's SDSA-DMSR is deemed not to include the requirement two (2) for the following reasons below:</p> <p>Although the report has an analysis of the DMS, the conclusion contradicts the figures shown in charts 34-38-42. In page 32 the state concludes: "The State expects an improvement in the cost of carrying debt and the exposure to market risks, as a consequence of the borrowings envisaged in the reference debt-management strategy (S1)". However, the risks shown in the mentioned charts are much higher in S1 than in the alternative DMS.</p> <p>Furthermore, the presentation and analysis of the debt and borrowing projections and assumptions for the Baseline Scenario does not exhibit an adequate level of editorial style. It is illogical that revenue and expenditure shock scenarios show lower debt stock and debt services burden than the baseline scenario (charts 27-28-29). Charts on shock analysis must exclude S1_Shock Historical to get an adequate scale</p> <p>b) IVA reviewed and compared the information (figures) contained in the assessment report of the SDSA-DMSR obtained from the DMO and the SDSA-DMSR obtained from the State Website.</p> <p>c) There were no differences identified</p> <p>There were no identified differences between IVA's conclusion and that of the assessment report received from DMO</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
<b><i>DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears</i></b>				
<b>DLR 8.0</b>	<p>Domestic arrears as of end 2020 and end 2021 reported in an online publicly accessible database, with verification process in place.</p> <p><b>AND</b></p> <p>Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p><b>Basic Target:</b> At least a 5 percent decline or maintain stock below 5 billion naira</p> <p><b>Stretch Target:</b> More than 20 percent decline</p>		<p><b>Achieved</b></p> <p><b>Stretch Target Met</b></p>	
1	Has the State established an Arrears Clearance Framework (ACF)?	<p>a) The State has established an Arrears Clearance Framework (ACF)</p> <p>b) IVA obtained a copy of the ACF from the State.</p> <p>c) The establishment of the ACF occurred by 30 June 2021 - the latest date by which the ACF must be established for this result to be achieved.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		d) The duration of time between the establishment of the ACF and the <b>31 December 2021</b> year-end is 180 days (6 months), and this is adequate to allow time for the implementation of the ACF		
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<p>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled. This was contained in page 11 of the ACF.</p> <p>b) IVA reviewed the ACF and obtained evidence that the ACF contains planned actions to settle arrears as well as explicit arrears to be settled. These are contained in pages 8 and 11 respectively.</p> <p>State submitted the following documents to confirm the ACF exits:</p> <ol style="list-style-type: none"> <li>I. Arrears Database as at 31/12/2020,</li> <li>II. Payments made to contractors and pensioners in accordance with ACF's Policies on prioritization and planned actions to settle arrears.</li> <li>III. SDDR Q1 to Q4</li> </ol>	Satisfactory	
3	Has the ACF been published on a State official website?	<p>a) IVA confirmed that the ACF has been published on the State official website.</p> <p>b) IVA has downloaded a copy for validation</p> <p>c) The web link where the ACF was downloaded: <a href="https://pbc.kadgov.ng/upload%2Fpdf%2FKADUNA%20STATE%20ARREARS%20CLEARANCE%20FRAMEWORK-%20Final.pdf">https://pbc.kadgov.ng/upload%2Fpdf%2FKADUNA%20STATE%20ARREARS%20CLEARANCE%20FRAMEWORK-%20Final.pdf</a></p> <p>IVA obtained a screenshot of the downloaded page to confirm the date of publication. This has been retained in the assessment file.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	<p>The clearance of domestic expenditure arrears is consistent with the ACF.</p> <p>IVA carried out tests to confirm that the clearance of arrears is consistent with the ACF. The result of the tests are as follows:</p> <ul style="list-style-type: none"> <li>i. Arrears payment during the year was seen on the schedule of arrears clearance payments</li> <li>ii. The schedule of arrears clearance payments was reviewed with the planned actions to settle arrears the result showed consistency over the period.</li> </ul>	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	<ul style="list-style-type: none"> <li>a) The State has established an Internal Domestic Arrears Database</li> <li>b) The Internal Domestic Arrears Database includes the following: <ul style="list-style-type: none"> <li>i. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, the internal domestic arrears database included the name of the contractor, the amount due at the end-of-year, the nature of the goods and services procured that generated the claim. The database shows the total domestic arrears stock at the end of each year.</li> <li>ii. The aggregate amount of pension and gratuity arrears.</li> </ul> </li> </ul> <p>The Internal Domestic Arrears Database did not include aggregate amount of salary arrears, other staff claims and other types of domestic arrears as the State had none.</p> <ul style="list-style-type: none"> <li>c) A verification process is in place for the arrears in the database</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) IVA confirmed through the evidence provided by the State that the State has conducted verification of arrears balances.</p> <p>e) IVA conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, payroll records, underlying contract data, etc.</p> <p>f) The State submitted the Annual State Arrears Recording, Verification, and Clearance Report (SARVCR) to the IVA.</p>		
6	Has the State published online elements of the internal domestic arrears database for the FY <b>2020</b> and FY <b>2021</b> reported on a State official website, which constitutes the online publicly accessible arrears database?	<p>a) The State has published online the required elements of the Internal Domestic Arrears Database as at the <b>end of 2020 and 2021.</b></p> <p>b) IVA compared the aggregate and individual information available on the online publicly accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly accessible arrears database.</p> <p>c) The website supporting the online publicly accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online and attaching supportive evidence of her claim. If the State Ministry of Finance confirms the validity of this claim, it shall be added to the internal domestic arrears database and included as relevant in the online publicly accessible arrears database.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) IVA confirmed that the online web page includes a facility for contractors with arrears (creditors) to report any omissions to the State.</p> <p>e) IVA tested the online portal and the result of the test was an auto-response message. A screenshot of this has been obtained and retained in the assessment file.</p> <p>f) IVA did not obtain any record of omission from the State as there was no record of complain of omission by the contractors.</p> <p>g) The State confirmed there was no record of omission of arrears and no contractor has also claimed such for inclusion in the database.</p> <p>h) The online publicly accessible arrears database is found on this web link:  <a href="https://finance.kdsg.gov.ng/contractor-arrears-as-at-december-31-2021/">https://finance.kdsg.gov.ng/contractor-arrears-as-at-december-31-2021/</a></p>		
7.	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized</p>	<p>The online publication includes the aggregate amount of two out of the four types of arrears, that is contractors' arrears and pension and Gratuity. The aggregate amount of salary arrears and other staff claims as well as other types of domestic arrears were not included This is because the State does not have those arrears.</p> <p>The online publication contains the names of contractors with recognized arrears exceeding 20m and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																												
	arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.																																		
8.	<p>Has the State met the following?</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p><b>Basic target:</b> At least a 5 percent decline or maintain stock below 5 billion naira</p> <p><b>Stretch target:</b> More than 20 percent decline</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year,</i></p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2021 (₦)</th> <th>2020 (₦)</th> <th>Diff. (%)</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>7,347,306,985</td> <td>10,496,921,209</td> <td>30%</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>15,656,757,530</td> <td>19,128,103,209</td> <td>18%</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>0.00</td> <td>0.00</td> <td>0</td> </tr> <tr> <td>Judgement Debt</td> <td>0.00</td> <td>0.00</td> <td>0</td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td></td> <td></td> <td>0</td> </tr> <tr> <td><b>Total Domestic Arrears</b></td> <td><b>23,004,064,515.00</b></td> <td><b>29,625,024,418.00</b></td> <td><b>22</b></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 2021</p> $\frac{\cancel{₦23,004,064,515} - \cancel{₦29,625,024,418} \times 100}{\cancel{₦29,625,024,418}} = -22.3\%$ <p>The percentage decline is 22%</p>				Aggregate Amount of:	2021 (₦)	2020 (₦)	Diff. (%)	Contractors Arrears	7,347,306,985	10,496,921,209	30%	Pension and Gratuity arrears	15,656,757,530	19,128,103,209	18%	Salary arrears and Staff claims	0.00	0.00	0	Judgement Debt	0.00	0.00	0	Other types of domestic expenditure arrears			0	<b>Total Domestic Arrears</b>	<b>23,004,064,515.00</b>	<b>29,625,024,418.00</b>	<b>22</b>	Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	<i>compared to the previous year, expressed in percentage terms.</i>	<b>Source:</b> State internal domestic expenditure arrears database														
<b>DLI 9: Improved Debt Sustainability</b>																
<b>DLR 9.0</b>	<p><b>Average monthly debt service deduction is &lt; 40% of gross FAAC allocation for FY2021</b></p> <p><b>AND</b></p> <p><b>Total debt stock at end of December 2021 as a share of total revenue for FY 2021 meets target:</b></p> <p><b>-Basic target: &lt; 120%</b></p> <p><b>-Stretch target: &lt; 95%</b></p>		<b>Not Achieved</b>													
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31<sup>st</sup> December 2021) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1<sup>st</sup> January to 31<sup>st</sup> December 2021)?</p> <p><b>-Basic target:&lt; [120%]</b></p> <p><b>-Stretch target: &lt; [95%]</b></p> <p>(ii) Average monthly debt service deduction is &lt; 40% of</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p><b><u>Total Public Debt*</u></b></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>195,293,684,000</td> <td>72,252,643,998.69</td> </tr> <tr> <td>Total External Debts</td> <td>264,390,004,000</td> <td>245,779,793,189.24</td> </tr> <tr> <td><b>Total Public Debts</b></td> <td><b>459,683,688,000</b></td> <td><b>318,032,437,187.93</b></td> </tr> </tbody> </table>		Financial Statements (₦)	DMO/ SDEDR Figures (₦)	Total Domestic Debts	195,293,684,000	72,252,643,998.69	Total External Debts	264,390,004,000	245,779,793,189.24	<b>Total Public Debts</b>	<b>459,683,688,000</b>	<b>318,032,437,187.93</b>	Unsatisfactory	<p>The State should reduce its debt to revenue ratio and ensure debt is sustainable. As a general guide, debt should not be <b>more than 95% of Revenues</b> and should ideally be much less.</p> <p>The State should reduce its debt service deduction to gross FAAC and ensure it remains sustainable</p>
	Financial Statements (₦)	DMO/ SDEDR Figures (₦)														
Total Domestic Debts	195,293,684,000	72,252,643,998.69														
Total External Debts	264,390,004,000	245,779,793,189.24														
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations										
	gross FAAC allocation for FY2021.												
<p><b>Total Annual Revenue</b></p> <table border="1" data-bbox="716 277 1234 461"> <tr> <td>2021 Adjusted IGR (see DLI 4.2)</td> <td>52,386,968,956</td> </tr> <tr> <td>Gross FAAC Allocation**</td> <td>85,096,106,783</td> </tr> <tr> <td>Grants</td> <td>14,311,759,000</td> </tr> <tr> <td>Other Revenues</td> <td>-</td> </tr> <tr> <td><b>Total Revenue</b></td> <td><b>151,794,834,739</b></td> </tr> </table> <p>a. The State's domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2021 is at the end of Q4 2021.</p> <p>We have computed the total debts stock / Revenue percentage for the 2021 year, as follows:</p> <p><b>AFS Computation:</b></p> $\frac{\text{₦ } 459,683,688,000 \times 100}{\text{₦ } 151,794,834,739} = 302.8\%$ <p><b>DMO Computation</b></p> $\frac{\text{₦ } 318,032,437,187.93 \times 100}{\text{₦ } 151,794,834,739} = 209.51\%$ <p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:</p> $\frac{9,473,022,185 \times 100}{85,096,106,783} = 11.13\%$ <p>b. IVA compared the debt stock stated in the Federal DMO State Domestic and External Debt Report with the debt stock stated in the audited financial statement.</p>				2021 Adjusted IGR (see DLI 4.2)	52,386,968,956	Gross FAAC Allocation**	85,096,106,783	Grants	14,311,759,000	Other Revenues	-	<b>Total Revenue</b>	<b>151,794,834,739</b>
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>i. For Total Revenue 2021 Audited Financial Statement, Page 10</li> <li>ii. For Total Public Debt from DMO* as at December 31, 2021</li> <li>iii. NBS/OAGF (FAAC)</li> </ul> <p>*Table 3(i) below holds a breakdown of the Total Debt.</p> <p>** Refer to the FAAC table on DLI9 provided.</p>		

**TABLE 3(i): DLI 9 31 DECEMBER 2021 STATE DEBT STOCK TABLES FOR KADUNA STATE**

S/N	KADUNA STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	22,021,729,672.49
2	BAIL OUT (SALARIES) (SOURCE CBN)	13,592,918,242.86
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
4	EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,575,258,775.05
5	STATE BONDS	-
6	COMMERCIAL BANK LOANS	-
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	-
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	-
11	HEALTHCARE DEDUCTIONS	-
12	BRIDGE FINANCE FACILITY	3,043,531,537.34
13	FAMILY HOMES FUND	-
14	ANCHOR BORROWERS PROGRAMME	-
15	OTHER FGN INTERVENTIONS	-
16	MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF)	1,015,141,256.83
17	JUDGEMENT DEBTS	-
18	GOVT - GOVT DEBTS	-
19	CONTRACTORS' ARREARS	7,347,306,984.13
20	PENSION AND GRATUITY ARREARS	15,656,757,529.99
21	SALARY ARREARS AND OTHER CLAIMS	-
22	OTHER DEBTS	-
	<b>TOTAL DOMESTIC DEBT (TDD)</b>	<b>72,252,643,998.69</b>
	TOTAL EXTERNAL DEBT (TED)	245,779,793,189.24
	<b>TOTAL PUBLIC DEBT (TED+TDD)</b>	<b>318,032,437,187.93</b>

**TABLE 3(ii): DLI 9 31 DECEMBER 2021 - ADJUSTED REVENUE TABLES FOR KADUNA STATE**

TEMPLATE: OPTION A	₦
Item	2021
<b>1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)</b>	<b>85,096,106,783</b>
<b>1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)</b>	<b>55,070,293,145</b>
1.1.1 Gross statutory allocation	46,255,339,255
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	8,814,953,890
<b>1.2 VAT</b>	<b>30,025,813,638</b>
<b>2. Internally Generated Revenues (IGR) - Adjusted</b>	<b>52,386,968,956</b>
<b>3. Grants (internal and external)</b>	<b>14,311,759,000</b>
<b>4A. Other revenues (4.1 + 4.2 + 4.3)</b>	<b>-</b>
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	
4.3 Miscellaneous	
<b>Total Revenues and Grants Calculations</b>	
<b>A) Total Revenues and Grants is (1+2+3+4A)</b>	<b>151,794,834,739</b>

#### 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><b>DLI 2.1.</b> The Name of the Civil Society Co-Chair that signed the minutes of the 2022 budget Town Hall meeting is Hadiza Umar. You may wish to contact her on her phone number (08032014612) and email address (<a href="mailto:hadizaumar2002@gmail.com">hadizaumar2002@gmail.com</a>) for confirmation. Below is a picture of the Co-Chair CS and Management staff of the Planning Commission during the 2023 Budget Town Hall meeting held on Saturday 15th October 2022</p>	<p>IVA notes the State's response and this has been included in the report.</p>
2	<p><b>DLI 2.2</b> We acknowledged an error in the figure of the Citizens Accountability Report, which did not tally with the Audited Financial Statement. The mistake wasn't intentional, it was out of the urgency to publish the document within the deadline such mistake occurred. Therefore, we appeal for the consideration of the Report having met all other requirements except the discrepancy in the figures. You may wish to note that the State has sustained this reform initiative and has already published its 2021 Citizen Accountability Report. See the link below <a href="http://pbc.kdsg.gov.ng/wp-admin/admin-ajax.php?juwfpisadmin=false&amp;action=wpfd&amp;task=file.download&amp;wpfd_category_id=20&amp;wpfd_file_id=1107">http://pbc.kdsg.gov.ng/wp-admin/admin-ajax.php?juwfpisadmin=false&amp;action=wpfd&amp;task=file.download&amp;wpfd_category_id=20&amp;wpfd_file_id=1107</a></p>	<p>IVA notes the State's response.  However, the ensuring transparency and correctness is part of the requirements of the SFTAS verification protocol as this ensures the Citizens are not misled.  The results remains unsatisfactory.</p>
3	<p><b>DLI 6.2</b> The e-GP System adopted by Kaduna State Public Procurement Authority is an integrated system, with five key Modules- E-Registration, e-Publishing/Notification, e-Tendering, and e-Evaluation/e-Awarding modules. Each module is linked to another. Each Module also has several interlinked steps with a terminal outcome. Kindly find attached evidence of the use of the e-procurement system in the first 4-5 months of FY 2022</p> <p><b>1. PROCUREMENT PLAN (APDP) OF ALL THE MDAs Was PUBLISHED ON 28th FEBRUARY, 2022 .</b> Refer to the e-Procurement link below for evidence of APDP Publication: <a href="https://eprocurement.kdsg.gov.ng/epps/app/viewPublication.do?d-147790-p=&amp;T02_ps=20">https://eprocurement.kdsg.gov.ng/epps/app/viewPublication.do?d-147790-p=&amp;T02_ps=20</a></p> <p><b>2. PUBLICATION OF SOME PROCESSES AND BID OPENING HAPPENED BEFORE THE MONTH OF JUNE, 2022</b></p> <p>Refer to the e-Procurement link below for the evidence of Bid openings (Including Bid opening report): <b>a). KADUNA STATE HEALTH SUPPLIES MANAGEMENT AGENCY had 22 Bid Openings</b> of their published (advertised) processes on the system: Refer to some examples below and the Excel sheet attached for all the Processes: i. Procurement of Drugs for MNCH Week  <a href="https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=15475">https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=15475</a></p>	<p>IVA notes the State's response. This has been included in the report.</p>

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	<p><b>DATE: 26th April, 2022</b></p> <p><b>b). Ministry of Public Works and Infrastructure</b> had <b>12 Bid Openings</b> of their published (advertised) processes on the system: Refer to the example below and the Excel sheet attached for all the Processes:</p> <p>i. Supply of 50No Extendable Stun Gun Batons (Extended length 550mm, contracted length 320mm, weight 550gms, built in LED flashlight</p> <p><a href="https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=16379">https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=16379</a></p> <p><b>DATE: 9th March, 2022</b></p> <p><b>c). Ministry of Education</b> had <b>Bid Opening</b> of their published (advertised) processes on the system: Refer to the example below and the Excel sheet attached for all the Processes:</p> <p>i. Procurement of White Marker Board, Smart Board and other Teaching/Instructional Materials for Schools across the State</p> <p><a href="https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=15918">https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=15918</a></p> <p><b>DATE: 11th May, 2022</b></p> <p><b>d). Ministry of Health</b> had <b>4 Bid Openings</b> of their published (advertised) processes on the system: Refer to the example below and the Excel sheet attached for all the Processes:</p> <p>i. Furnish and Equip Maternity Complex, Hajiya Gambo Sawaba General Hospital, Zaria</p> <p><a href="https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=18722">https://eprocurement.kdsg.gov.ng/epps/eawarding/showDetailsOpenedTender.do?resourceId=18722</a></p> <p><b>DATE: 27th May, 2022</b></p>	
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