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

2021 Annual Performance Assessment (APA) Report

KEBBI 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 Kebbi 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 Kebbi State and shows areas where the State was able to achieve results. In total, Kebbi State achieved 14 (Fourteen) DLRs out of 15 DLRs applicable to the 2021 APA of which 3 **(**three**)** DLRs were achieved in the 2020 APA.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: 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	Achieved	
	DLR 1.2: FY21 deviation for total approved original budget expenditure is < 15%		Budget deviation was 43%
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2022 budget and citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms.	Achieved	
	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.	Achieved	
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 80 percent of state government finances.	Achieved	
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	2020	
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target -**Basic target**: 20%-39% -**Stretch target:** 40% or more	Basic Target Met	
DLI 5: Biometric	DLR 5.1: Biometric capture of at least 95 percent of current	Achieved	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
registration and Bank Verification Number (BVN) used to reduce payroll fraud	civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		
	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	**2020**	
	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

AND

For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available | | |
| **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. | **2020** | |
| | 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. | | |
| **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.

AND

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.

Basic target: At least a 5 percent decline or maintain stock below 5 billion naira

Stretch target: More than 20 percent decline | **BaseTarget Met** | |
| **DLI 9:** Improved debt sustainability | Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021

AND

Total debt stock at end of December 2021 as a share of total revenue for FY2021 meets target: Basic target: < 120%, | **Basic Target Met** | |

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	Stretch target: < 95%.		

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. <u>DLR 1.2:</u> Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
2. <u>DLR 6.</u>2: Implement the e-Registration, e-Publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules.

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

2. Introduction

2.1 Overview

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

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

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

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and PricewaterhouseCoopers (PwC) was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2021. To ensure a high-quality assessment, the IVA had some input/support from the Debt Management Office (DMO), to review the returns in place in this State.

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 18/7/2022 and 22/7/2022 with a team of 6 (Six) team members, 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
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	**Financial Year [2021] quarterly budget implementation reports published on average within [4 weeks] of quarter end to enable timely budget management**		**Achieved**	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	The Quarterly Budget Implementation Reports were posted online on Q1- 2021- https://kebbistate.gov.ng/kebbi-state-budget-performance-report-first-quarter-jan-mar-2-021 Q2- 2021 -https://kebbistate.gov.ng/kebbi-state-budget-performance-report-second-quarter-apr-jun-2021 Q3- 2021 -https://kebbistate.gov.ng/kebbi-state-budget-performance-report-third-quarter-jul-sept-2021 Q4- 2021- https://kebbistate.gov.ng/2021-quarter-four-october-december-budget-performance-report accessed on (18/07/2022). Dates of online publication are as follows:	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		• Q1 – 26 April 2021 – 3.71 weeks (26 days) • Q2 – 27 July 2021 – 3.86 weeks (27 days) • Q3 – 28 October 2021 - 4 weeks (28 days) • Q4 – 28 January 2022 - 4 weeks (28days) The Average days (weeks) for the States' online publication was computed based on the last 4 quarters, as shown below: 26+27+28+28 4 Average= 27.25days (3.89weeks) The IVA downloaded the Quarterly Budget Implementation Reports for all the Four Quarters for the year 2021. We also obtained and retained evidence of the Timestamp for the publications.		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the 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	From our review of the Quarterly Budget Implementation Reports (BIRs) (see web links above), we observed the following: a) Based on the review of the reports, the IVA team confirmed that the BIRs for the year contained the Budget Appropriation for the year against each organizational unit (MDAs) for each of the core economic classification of expenditures. b) Based on the IVA review, we confirmed that the State does not have a Revised Budget estimate for the financial year 2021. c) The State does not have a Revised Budget estimates for the financial year 2021. d) The IVA team confirmed that the BIRs included the actual expenditures for the Quarter attributed to each MDA as well as the cumulative expenditures for year to date. e) The BIRs included the balances against each of the revenue and expenditure appropriations. 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	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	revenue and expenditure appropriations.	revenue and expenditure appropriations.		
3	Does the report state the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the actual cumulative expenditures for the year to date?	The IVA reviewed the State's Budget Implementation Reports and confirmed that it 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.	Satisfactory	
4	Does the report state balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	The State's Budget Performance Reports also showed the balances against each of the Revenue and Expenditure Appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'other expenditures' which includes debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory	
DLR 1.2	**FY [2021] deviation from total approved budget expenditure is less than 15%**		**Not Achieved**	
1	Has the State computed the difference between	The State computed the Budget Deviation for the 2021 Financial year and arrived at 43%.	Unsatisfactory	The State should prepare accurate

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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? Is the expenditure outturn deviation computed less than 15%	The IVA computed the budget deviation for this APA year. See the computation below: |	Total Approved Budget (₦)	Actual Outturn (₦)
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Capital Exp	92,010,230,333	38,476,466,765
Rec. Exp	49,634,039,786	42,472,739,774
Total	141,644,270,119	80,949,206,539 | $$\frac{₦141,644,270,119 - ₦80,949,206,539}{₦141,644,270,119} \times 100$$ = 43% The Budget Performance Deviation is 43% Source: 2021 Audited Financial Statement (Page 7 (Notes ST3, 25, & 26) and Approved Budget (Page 2 of 120)		budgets and reduce the budget deviation to a level below the limits set for this result.
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	**Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget AND Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online**		**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	feedback mechanisms			
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	The IVA team obtained the signed minutes of the meeting, attendance register and some photos of the townhall consultation event. a) The LGAs in attendance Includes: • Birnin Kebbi LGA • Zuru LGA • Aliero LGA • Jega LGA • Yauri LGA b) Some of the Citizens Based Groups and Civil Service Organisations in attendance includes: • USAID/OXFAM • Zaki Gem Support Foundation • UNICEF c) The sources of information from which our conclusions were drawn were from the signed Minutes of the Meeting, Attendance Sheet, and Questionnaires. d) The Town Hall Meeting on the proposed Budget was held on 11 November 2021 at the Presidential Banquet Hall, Birnin Kebbi. e) The IVA called 10 attendees and Feedback were received from them to confirm that they attended the Town Hall Meeting. The filled-out Questionnaires which recorded their responses has been retained on the assessment file. f) The proposed Budget on the State website showed that the proposed budget was presented to the House of Assembly by the Governor on 18 November 2021 which was after the Town Hall Meeting. g) The Town Hall Meeting was held on 11 November 2021 while the Draft Budget was sent to the State House of Assembly on 18 November 2021. h) The Draft Budget of the State was published online on 24 November 2021. The Annual Approved Budget was published on 30 January 2022.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		i) The State Annual Approved Budget was published on 30 January 2022 before the 31 January 2022. j) https://kebbistate.gov.ng/sites/default/files/KEBBI%20STATE%20%202022%20DRAFT%20BUDGET%20%20BPR.pdf and was assessed on 18th July, 2022.		
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2022 to enable citizens to find the inputs easily?	a) Mr Usman Faleye (OXFAM), Dr Isah Ibrahim (UNICEF) were co-signatories to the Minutes. The IVA retained a copy of the signed Minutes in the assessment file. b) The title of the Minutes was 2022 Budget Town Hall Meeting held at Presidential Banquet Hall, Birnin Kebbi. The Minute was signed on 24 November 2021. c) https://kebbistate.gov.ng/report-2022-budget-townhall-meeting-pictures-and-attendance-sheet (24/11/2021). This was accessed on (18/7/2022). d) The published minutes were adequately sign-posted on the website.	Satisfactory	

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?	a) The Citizens Budget based on the Approved Budget (2021) was published on 29 April 2021 before the due date via https://kebbistate.gov.ng/sites/default/files/Kebbi%20State%20Budget.pdf and was accessed on 18/7/2022.
		
		b) IVA compared the 2021 Approved Annual Budget with the 2021 Citizens Budget and no discrepancies was noted between the Citizens Budget and the Approved Annual Budget.
		c) The Citizen's budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template. IVA confirmed there were no significant areas of discrepancies.
		  i. Simple explanation of the annual approved budget/citizens budget – Page 1
		  ii. The sources of revenues- Page 3
		  iii. Sources of domestic and foreign grants, domestic loans, and other financing sources – Pages 3-4
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		iii. Total expenditure by economic classifications- Page 2 iv. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap- Pages 3-4 v. Disclosure of Budget deficit (if any) and how it will be financed- Page 4 vi. Sectoral Allocation (by MDAs)-Pages 6-7 vii. Top Projects to be financed (at least 5)- Page 8 d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included. e) The State used the prescribed format to prepare the Citizens Budget. There were no discrepancies noted.		
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	We confirmed that the Approved FY21 State Budget was summarized in a comprehensible manner to the citizens in the Citizens budget.	Satisfactory	

5	Does the State website have functional feedback and response online mechanisms?	a) IVA confirmed that the State has established a functional feedback and response online mechanism on the State website.
		b) The State operates an email response Feedback mechanism.
		c) The State's feedback mechanism provided for:
		  i. Acknowledgement of receipt of comments/feedbacks from citizens
		  ii. State's responses to comments/feedbacks
		  iii. Display of timeframe and the State's government contact details.
		d) IVA conducted a walkthrough test of the State's feedback mechanism by submitting an online request which was responded to by a state official through his official email address
		e) The State also provided Feedback History to show the engagements with citizens on the Feedbacks received so far.
		f) Based on the review carried out, the State's feedback mechanism is functional		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		g) The weblink: https://mail.google.com/mail/u/0/?fs=1&tf=cm&source=mailto&to=dolekaina.nura@kebbistate.gov.ng		
DLR 2.2	Citizen's Accountability Report based on audited financial statements/report published online for FY2020 not later than 30th September 2021.		**Achieved**	
1	Did the State prepare the Citizens Accountability Report to explain the full Annual Audit Report in a summarized form?	a) The State prepared a Citizens Accountability Report with respect to the FY 2020 Audited Financial Statement. A copy of the report has been downloaded and retained in the assessment file. b) The downloaded Citizens Accountability Report has been reviewed by the IVA. c) The Citizens Accountability Report was published online on 30 September 2021. d) The Citizens Accountability Report was compared to the Annual Audit Report for the 2020 FY. There were no discrepancies noted. e) The IVA obtained the signed Minutes of the Consultative Forum set up by the state for the purpose of presenting the Citizens Accountability Report.	Satisfactory	
2	Has the State published a Citizens Accountability Report based on the Annual Financial statements/ Audit Report for FY 2020 not later than 30 September 2021?	a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published on the due date of 30/09/2021 via https://kebbistate.gov.ng/kebbi-state-2020-citizens-accountability-report and accessed by IVA on 18/7/2022. b) The Annual Audit Report and the Citizens Accountability Report for the 2020 Financial Year were compared by the IVA. There	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		were no discrepancies.		
		c) IVA confirmed that the Citizens Accountability Report was prepared in the format given to the State. It provided all the details below:		
		i) Simple explanation of the Citizens Accountability Report and Executive Summary. Page 3 ii) The Budget Outturn. Page 5 iii) The Revenue Outturn. Page 7 iv) The Expenditure Outturn. Page 9 v) The Audit Findings. Page 11 vi) The Audited Financial Statements. Page 12 vii) Top Sectoral Allocations. Page 15 viii) Top Value Capital Projects. Page 20 ix) Citizens-Nominated Projects-Implementation Status Report. Page 22		
		d) The minimum required Citizen's Accountability Report information outlined above has been included.		
		e) The suggested format was used		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	a) The 2020 Citizens Accountability Report presented a summarized version of the Audited Financial Statement for the year 2020 (Page 12 - 14) b) The Citizens Accountability Report included a concise explanation of the key components of the FY2020 Audited Financial Statements. c) The State Government held a Consultation Meeting on 18/08/2021 to present the 2020 Audited Financial Statement. The IVA team obtained the signed Minutes of the Meeting 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. We further	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		confirmed that the CAR was published online on 30/09/2021 and presented at a public consultation held on 18 August 2021.		
DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	**Improved cash management and reduced revenue leakages through the implementation of State TSA**		**Achieved**	
1	Has the State established a functional State-level TSA?	a. The State has established a functional State-level TSA. b. The State operates one TSA account. c. The State TSA details: Bank: UBA, Account Name: Accountant General's Account Kebbi State, Account Number; 1013572209.	Satisfactory	
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.	The State has a Cash Management Strategy. a) The name of the Cash Management Strategy is "Kebbi State Government Cash Management Strategy", b) It was produced in October 2020 and signed by both the Honorable Commissioner for Finance and the Accountant General of the State. c) The Strategy includes the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds as stated in Page 21 (Cash Planning). d) The State's Cash Management Strategy as shown on Page 24 states that " The State shall maintain a TSA model whereby the TSA is maintained in a single financial institution and associated zero balance ledger sub-accounts (ZBAs) are maintained in other banks where balances are swept not later than 2 pm every Friday or at such other earlier time as the State may	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		decide from time to time." Sweeping is being practiced by the State as it can be seen on the TSA Bank Statement. e) Cash Plan and Cash Management Strategy were obtained as evidence of implementation of processes described in the Cash Management Strategy to forecast cash commitments and requirements and a check on the existence of cash commitments and requirements forecasts at the intervals stated in the Cash Management Strategy has been done. f) There is availability of funds as seen in the TSA Statement.		
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	The State has an application where the State can view the cash balances in the TSA. a) The name of the application is NIBSSPAY and the producer of the application is Klug and Heimer Consult. b) The system is in line with the Cash Management Strategy. c) It was deployed in February 2020.	Satisfactory	
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	a) IVA visited 3 Revenue generating MDAs such as the Ministries of Health, Education and Works. The Revenue focal persons at each MDA were interviewed. The TSA Bank Operator and Selected Fee Payers were also interviewed. The answered TSA Questionnaire for the Revenue Generating MDAs, TSA Bank Operator and Selected Fee Payers were obtained with copies of E-Receipt and Bank Tellers were also obtained and retained in the assessment file. b) The State TSA details: Bank: UBA Account Name: Accountant General's Account Kebbi State, Account Number; 1013572209 c) IVA observed that all the State Government monies (FAAC and IGR) goes through this account. d) Government monies are swept from other revenue collecting	*Satisfactory*	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		banks to the TSA.		
		e) The TSA Bank Statement was obtained and retained in the assessment file.		
5	Does the TSA cover a minimum of 80% of the State Government's finances?	The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as shown below:	Satisfactory	

	Total Inflows (₦)	Total Outflows (₦)
TSA Bank Statement	67,451,905,858.89	66,275,496,507.09
Government Finances*	82,020,440,303.29	80,949,206,539.24
Percentage	82.2%	81.9%

The average percentage computation is:

$$\frac{82.2\% + 81.9\%}{2}$$

= 82.05%

The TSA covered 82.05% of the State's finances.

*Sources: 2021 Audited Financial Statement (Cash flow Statement) Pages 6-7 and the TSA Statement from UBA Bank for January to December 2021.

Total Inflows before reversals - ₦67,451,905,858.89
Total outflows before reversals- ₦66,275,496,507.09
Total reversals- ₦29,889,960.36
Total inflows after reversals- ₦67,422,015,898.53
Total outflows after reversals- ₦66,245,606,546.73
Net Cashflow (after deduction of reversed transactions in TSA account): **₦82.019%.**
The above summary is shown in the Table below:

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		COMPUTATION OF TSA COVERAGE	**Total Inflows (₦)**	**Total Outflows (₦)**		
		TSA Bank Statement (a)	67,422,015,898.53	66,245,606,546.73		
		Government Finances (b)	82,020,440,303.29	80,949,206,539.24		
		Percentage (a/b*100)	82.201%	81.836%		
		Addition of percentages (Inflow and Outflow)	164.037%			
		Average of Percentage of TSA Covered	82.019%			

From the two computations above, the IVA observed that the State met the **satisfactory 80%** threshold for TSA usage in government financing.

The State responded to APA Issue for the difference existing between total TSA and Government finances inflows and outflows. The response stated that 'one of the reasons that accounted for this difference was deductions at Source relating to Government External Loans and Internal Loans which made them not to pass through the Bank account but must nevertheless be accounted for. Despite this, the State is striving to attain 100% in her usage of TSA and therefore several initiatives to ensure this are still ongoing.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	**State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole**		**Previously Achieved in 2020 APA**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published			
DLR 4.2	Annual nominal IGR growth rate meets target		Achieved (Basic Target Met)	
1	Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets? **Basic Target:** 20% - 39% **Stretch Target:** 40%	a. Cash basis of accounting was adopted for the 2020 and 2021 Audited Financial Statements b. The IVA computed the annual nominal IGR growth rate for 2021 APA as shown in the computation below:	Satisfactory	

REPORTING TEMPLATE: OPTION A	₦	₦	% GROWTH
Item	2020	2021	
Memo: Reported IGR in AFS (Before Adjustments)	7,976,260,800	9,857,039,462	24%
VALID IGR items to be counted as IGR	7,810,328,532	9,764,550,827	
Taxes	7,050,154,300	7,404,425,157	
Fines	315,360,829	1,219,231,375	
Fees	210,240,553	812,820,916	
Licences	25,505,285	25,002,550	
Earnings	41,258,726	82,448,910	
Sales	96,270,360	192,380,789	
Rent of Govt			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

	Property	71,538,480	28,241,131			
	Other	-	-			
	"Adjusted IGR" for DLI 4.2 Calculation					
	Sum of all VALID items of IGR if AFS has that detail	**7,810,328,532**	**9,764,550,827**		**25%**	

*Please Unpack the Miscellaneous from the notes to the Account

$$\frac{₦9,764,550,827.39 - ₦7,810,328,532.14}{₦7,810,328,532.14} \times 100$$

$$= 25\%$$

The annual nominal growth was 25%

Source: 2021 Audited Financial Statement Page 6

DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud				
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**		**Achieved**	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 95% of the current civil servants and pensioners on the State payroll?	The State commenced the Biometric data capturing of the Civil Servants and Pensioners in January 2017 to 24 January 2020 and it is a continuous process. a) The Biometric data capture exercise was outsourced to Dada books system Ltd. b) The total number of Civil Servants is 21,124 c) The total number of Pensioners is 7,382 d) The total number of staff on the State Nominal roll and Payroll	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	is 28,506 (Civil Servants and Pensioners) e) The total number of Civil Servants and Pensioners on the Nominal roll and Payroll changed by 2.03% in comparison with the previous year. {TABLE1} $$\frac{28{,}506 - 27{,}938}{27{,}938} \times 100 = 2.03\%$$ The State was able to provide satisfactory explanations and evidence for such changes. The explanation from the State is as shown below: 1. The Civil Servant Nominal Roll opened with 21,554 records and closed with 21,124 in records in 2021. Details is shown in the Table below: **CIVIL SERVANTS HEAD COUNT SUMMARY FOR 2021** {TABLE2} 2. Pensioners Register opened with 6,394 Pensioners in		

The embedded tables:

TABLE1:

Total No. of Civil Servants and Pensioners 2020	27,938
Total No. of Civil Servants and Pensioners 2021	28,506

TABLE2:

Description	Nos
Opening 1st Jan 2021	21,544
Newly Employed	2,444
Removal Due to Fraud/Ghost	Nil
Resignation/Withdrawal of service	1,755
Retirement & Exit To pension	1,109
Closing 31st December 2021	21,124

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	January 2021 but closed with 7,382 due to newly retired civil servants and removals carried out during the year. Details is shown in the Table below: **PENSIONERS HEAD COUNT SUMMARY FOR 2021** 	Description	Nos
---	---
Opening 1st January 2021	6394
Newly Additions during the Year	1109
Removals During the Year	35
Removals Due to Fraud	86

Closing 31st December 2021	7382 |
	
	In the course of 2021, 86 Pensioners were found to have remained on Payroll despite being non-existent or dead and were therefore removed in the month of discovery. (Evidence has been retained in assessment file. In conclusion, the IVA is satisfied with the State's response.
	f) A total of 28,506 Biometric data of Civil Servants (21,124) and Pensioners (7,382) have been captured.
	g) The following documents were obtained and reviewed:
	  i. A copy of the Nominal Roll for all State Civil Servants.
	  ii. A copy of the Nominal Roll for all State Pensioners.
	  iii. A report from the Biometric Database system Manager (Dada books system Ltd) on the numbers of persons registered.
	  iv. A report from the States' Salaries Department on the numbers of Civil Servants and Pensioners paid for the year under review.
	  v. IVA viewed the biometrics database and the screenshots was retained.
	
	$$\frac{\text{No of Biometric Data Captured} \times 100}{\text{Total No of Civil Servants+ Pensioner on payroll}}$$		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		28,506 x 100		
		21,124 + 7,382		
		= 100%		
		The State had captured 100% of the State's Civil Servants and pensioners on its payroll.		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	a) The State commenced Biometric data linkages of both Civil Servants and Pensioners to the State Payroll in 2019 and achieved 100% as at December 2021. b) The total of 28,506 Biometric data of Civil Servants (21,124) and Pensioners (7,382) were linked to the payroll as at 31st December 2021 c) IVA observed from the One-page Report provided by the State that they were no Ghost workers. However, 86 Pensioners were removed during the year due to reasons such as wrong accounts number, duplicates account numbers and deaths during the Biometric linkage to payroll in the year under review (2021). d) The sum of ₦3,381,337 was saved from the Ghost Pensioners detected between January to December 2021 (i.e Progress Report on payroll submitted by Director of salaries). e) In-year changes to the Civil Servants and Pensioner payrolls (as a result of starters, leavers, deaths etc.) was adequately captured during the Biometric exercise. f) There are procedures in place for ensuring timely (within one month). The State payroll system was designed to automatically reflect changes made immediately (within one month) after necessary approval and authorization has been received from the Hon. Commissioner for Finance to effect changes to the payroll due to leavers, retirement, deaths, etc. The following documents were obtained and reviewed to support the conclusion: I. Files containing Hon. Commissioner for Finance approval on removal of ghost workers from State payroll.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		II. State payroll and Nominal Roll. III. Samples of randomly selected ghost workers from the list, tracing them to the payroll and discovered that they were being removed from payroll immediately (within one month) g) There were changes to the civil servant and pensioner payrolls during the fiscal year (as a result of starters, leavers, deaths, etc.). h) The changes were captured by the biometric exercise. i) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees and deaths. In a death case, a letter of notification is sent from the department of the deceased person to Payroll Department through the Hon. Commissioner for Finance and payment of the person is stopped immediately.		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a) IVA observed from the One-page report that there were no Ghost workers. However, 86 Ghost Pensioners were detected during the Biometric linkage to payroll in the year 2021 under review. b) Remita payroll system generated the reports on identified Ghost Pensioners and there is a file for identified Ghost Pensioners in the Director State Salaries Office. c) These identified Ghost Pensioners were removed from the payroll on monthly basis in the year under review. d) The payroll figure before their removal from payroll is ₦23,263,010,100 e) The payroll figure after they have been removed is ₦23,259,628,763 f) The source of the above information includes the following: summary of Payroll linkage with Biometrics and BVN as at December, 2021 and Screenshots of Pay Summary was obtained for 2021.KBSG schedule of pensioners Removal Due to irregularities in 2021	Satisfactory	
5.2	Link BVN data to at least		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	[95] **percent of current civil servants and pensioners on the payroll and payroll fraud addressed**			

1	Has the State linked the Bank Verification Number data to **95%** of its current Civil Servants and pensioners on the State payroll?	The State commenced the Biometric data capturing of the Civil Servants and Pensioners in January 2017 to 24 January 2020. I
		
		a) The BVN data linkage to payroll was outsourced to Dada books system Ltd
		b) The total number of Civil Servants is 21,124
		The total number of Pensioners is 7,382
		c) The total number of Civil Servants and number of Pensioners on the State Nominal roll is 28,506
		d) A total of 28,506 BVN data of Civil Servants (21,124) and pensioners (7,382) has been linked to the payroll.
		e) The following documents were obtained and reviewed:
		
		    i. A copy of the Nominal Roll for all State Civil Servants
		    ii. A copy of the Nominal Roll for all State Pensioners
		    iii. A report from the Database system Manager (Dadabooks system Ltd) on the numbers of Persons' BVN linked to payroll
		    iv. A report from the State Salaries Department on the numbers of Civil Servants and Pensioners which their BVN data were linked to payroll and were paid during the year under review.
		
		No of BVN Data Linked x 100
		
		Total No of Civil Servants + Pensioners on payroll
		
		28,506 x 100
		
		28,506
		=100%
		The State has linked 100 % of the State's civil servants and
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		pensioners' BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	a) A total of 28,506 of Civil Servants (21,124) and Pensioners (7,382) are with BVN data. b) The records kept for the identified payroll fraud are: Schedule of Pensioners Removals due to irregularities in 2021 and Remita Payroll System generated the reports on identified Ghost Pensioners. c) The State identified and detected 86 ghost pensioners from January to December 2021 which were deleted immediately from the payroll in the month of detection. d) The payroll figure before their removal from payroll is ₦23,263,010,100 e) The payroll figure after they have been removed is ₦23,259,628,763 f) The sources of the above information include: a One-Page Update on Payroll clean up exercise for 2021, Active Civil Servants Biometrics and BVN Reports as at December, 2021.	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	**Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget**		**Previously Achieved in 2020 APA**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 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 AND For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.		**Achieved**	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2021) that are above the threshold (as defined in the State procurement law or the State	a) IVA was able to obtain a Schedule of all contracts awarded during the year under assessment. b) The checks done to confirm whether the Schedule is indeed complete and comprehensive included the following: (1) We obtained the Schedule of contracts awarded in the Year (2) We compared this Schedule with the AFS Statement of Capital development on Page 12 (3) We compared this Schedule against the payment for Capital Expenditure reported in the Statement of Cashflow. (4) APA issue response from the State also corroborated the completeness of the contract awarded in Year 2021	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?	Further review also showed that ₦38,476,466,765.20 is the actual Capital expenditure paid for while ₦10,685,059,244.10 is the total Contracts awarded in the Year. This implies that total contract awarded represents 27.77% of total contracts payments in the Year under review. However, an APA Issue was raised to the State and the State responded as follows: "Kebbi State uses Cash Basis of Accounting in which Expenditures are recognised when they are paid rather than when they are incurred. This then follows that Contracts awarded in previous years may receive cash Backing in the current year. The Difference between value of Contract Awarded Published in 2021 therefore represent those awarded in the year while Capital Expenditure includes Contract awarded in previous years and also included Arrears of Contract of prior years." Based on these checks above, the IVA asserted that the Contracts Schedule is complete. c) The State published the information on all contracts awarded for the year under assessment above the threshold online. d) The list of contracts published online is complete based on a review against the schedule of all contracts provided e) The data published is in line with the Open Contracting Data Standards (OCDS). f) The source of the publication: https://www.kebbistate.gov.ng/title-4?page=1 https://kebbistate.gov.ng/kbsg-list-awarded-contracts-2022. https://kebbistate.gov.ng/kebbi-state-e-procurement-contracts-2022// e-GP - Awarded Contracts (kebbistate.gov.ng) (i) IVA compared what the state published with the sample template provided and there was no difference in the content.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

		(ii) IVA downloaded and retained a copy of the online publication.
		(iii) IVA retained a screenshot of webpage from which the publication was downloaded.
		g) The minimum contract award information that was published:
		   I. Project name,
		   II. Awarding institution,
		   III. Award date,
		   IV. Name of contractor, and
		   V. The contract amount.
		h) All the items from (g) above were all published on the State website.
		i) The web link where data was published:
		https://kebbistate.gov.ng/kbsg-list-awarded-contracts-2022.
		https://kebbistate.gov.ng/kebbi-state-e-procurement-contracts-2022
		https://www.kebbistate.gov.ng/title-4
		j) The contract award information published on the state official website is accessible to the public.		

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 **2021** results DLI is the implementation of at least five modules: e-Registration, e-Publishing/Notification, e-Procurement Plan, e-Tendering and e-	a) The State has implemented e-procurement in at least four (4) MDAs (including Education, Health, Public Works, and Water Resources) by 30 June 2022. Copy of the e-procurement Screenshot for implementation of the modules of e-procurement was retained in the assessment file and the web link is: https://eprocurement.kebbistate.gov.ng/epps/home.do b) A report on all transactions for the four MDAs during the period 1 January 2022 to 30 June 2022 was obtained directly from the e-procurement systems. c) A separate report of procurements for all Four MDAs for the period 1 January 2022 to 30 June 2022 was obtained from the State Accountant General. d) The go-live date for e-procurement at the 4 MDAs was 20th December 2021, and the evidence obtained to prove the go-	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Evaluation/e-Awarding?	live date for each of the five expected minimum functionalities includes the E-mail Screenshot of go-live date which was retained in the assessment file.		
		e) A comparison with the system generated report for all four MDAs after go-live was done and all transactions after go-live stated in the Accountant General's report for the period 1 January 2022 to 30 June 2022 were conducted through the e-Procurement system		
		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. The evidence such as the Screenshot of the e-registration, e-publishing, e-tendering, e-evaluation, and E-award which consisted of the States' e-procurement lifecycle was retained in the assessment file.		
		g) The IVA observed that the selected transactions followed the Procurement Lifecycle as contained in f above.		
		h) The IVA observed that no part of the transaction was conducted outside of the e-Procurement system.		
		i) The e-Registration, e-Publishing/Notification, e-Tendering, and e-Evaluation/e-Awarding modules have been implemented and contained transactions processed through them for the period of 1 January 2022 to 30 June 2022. Further-more, the IVA retained the Screenshot of the modules which showed that the State implemented all e-Procurement sections or modules		
		j) 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 31st December, 2021 to 30 June 2022. The IVA also confirmed and retained the Screenshot of all transactions in line with this test.		
		k) The evidence obtained for the selected sample transactions is Screenshots of all the procurement process which passed through all the required modules of the e-procurement system.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.		**Previously Achieved in 2020 APA**	
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		**Achieved**	
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?	We obtained evidence that the State produced approved Quarterly SDDRs, which were submitted and received by the DMO as follows: ● Q1 submitted on (6 May 2021) 36 days, ● Q2 submitted on (29 July 2021) 29 days, ● Q3 submitted on (11 November 2021) 42 days and ● Q4 submitted on (1 February 2022) 32 days.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$\dfrac{36+29+42+32}{4}$ Average = 34.8 days (4.96weeks) The SDDRs were submitted within an average of 1.24 months (35 days)		

2	**Note: Have you reviewed for accuracy and completeness from the DMO:** The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.	a) The IVA has obtained the SDEDR from the Federal DMO.
		
		b) The IVA has compared the State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF with the supporting documents (including the DMO templates and guidelines).
		
		c) The IVA compared the Quarterly State Domestic Debt Reports (SDDR) submitted by the State with the State Audited Financial Statement.
		
		d) The IVA compared the debt stock figures reported in the SDDR with that of the State's Audited Financial Statement.
		
		e) The IVA observed that there were no discrepancies during the comparison. The figures in the SDDR and the AFS are stated as follows:
		  i. SDDR Figure: 52,328,132,269.40
		  ii. AFS Figure: 52,328,132,269.40
		  iii) Difference (If any): Nil
		f) No action was taken as discrepancies were not identified.
		g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has not been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State as the SDEDR has not been provided
		h) The debt stock figures in the SDEDR, has been compared with those of the SDDR submissions by the State.
			N/A	

3	Has the State published online the State Debt	a) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published on the State	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) by 31 December 2021?	official website. b) The SDSA-DMSR was published on 14 December 2021. c) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published by 31 December 2021. The IVA obtained IT back-end timestamps to verify the date of online publication. d) The weblink of publication of the SDSA-DMSR is https://kebbistate.gov.ng/sites/default/files/Report%20on%20DSA-DMS%20FOR%20KEBBI%20STATE%202021.pdf		
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 in 2025; and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	a) Upon review of the SDSA -DMSR, it included the following: (1) Adequate presentation of medium-term budget forecasts, including: (a) Presentation of MTB forecasts in charts with projected annual figures from 2021 to 2024. The MTB forecasts are presented in charts 16, 17 and 19 (pages 19-22) and Annex II (page 34-35). They are also included in the main text for 2022-2024 (section 2.1 Medium-Term Budget Forecast) (b) Description of assumptions underpinning the MTB forecasts from 2021 to 2024 presented in Annex 1 (Pages 31 -33) (c) A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout the period 2021-2024 (d) The presentation and analysis in the entire forecast period were of adequate quality, and do not contain illogical statements (e.g. negative figures for debt stock; contradictory or illogical statements or arguments, etc.) (2) A detailed and adequate description of the debt portfolio and borrowing options, including: (a) Presentation of debt and borrowing projections in the baseline scenario in charts 18, 21 -23 and 25 as well as in Annex II with projected figures from 2021 to 2030. (b) Description of assumptions underpinning the borrowing options presented in tables in Section 4.1 and Annex II	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	(c) A summary analysis of the debt projections and their implications for debt sustainability and fiscal policies throughout the period 2021-2030 (d) A summary analysis of the projections of performance indicators used to assess DMS throughout the period 2021-2025, and their implications for the cost-risk profile of the State debt portfolio in 2025. (e) The presentation and analysis in the entire forecast period were of adequate quality, and do not contain illogical statements (e.g. negative figures for debt and borrowing projections; contradictory or illogical statements or arguments, etc.) (3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year, which contains the following; (a) Presentation of revenue, expenditure, budget balance, and debt information, at least for 2020 in tables and charts with historical figures for at least 2020 (b) A summary analysis of the information presented on revenue, expenditure, budget balance, and debt in 2020: analysis (in writing) of fiscal and debt situation in 2020. (c) The presentation and analysis in the entire historical period were of adequate quality, and do not contain illogical statements (e.g. negative figures for debt and borrowing projections; contradictory or illogical statements or arguments, etc.) b) IVA conducted a review and comparison between 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. e) No differences were identified between the assessment report of the SDSA-DMSR obtained from the DMO and the SDSA-DMSR obtained from the State Website.		
DLI 8: Improved Clearance/Reduction of Stock of			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
Domestic Expenditure Arrears				
DLR 8.0	**Domestic arrears as of end 2020 and end 2021 reported in an online publicly accessible database, with verification process in place.** **AND** **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.** **Basic Target: At least a 5 percent decline or maintain stock below 5 billion naira** **Stretch Target: More than 20 percent decline**		**Achieved (Basic Target Met)**	
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The State has established an Arrears Clearance Framework (ACF) b) We obtained a copy of the ACF from the State c) The State established the ACF before 30 June 2021, which is the latest date by which the ACF must be established in order for this result to be achieved. d) The ACF was published on 14 December 2020, which is 12 months, 17 days before the **31 December 2021** year-end.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Hence this allows adequate 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.	a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled. b) The ACF contains the planned actions to settle arrears. The ACF states that the State plans to do an effective stocktaking and verification of all existing domestic arrears which will enable the State to understand the extent, composition and the age of the State unpaid bills and prioritize their clearance. The data should be verified to ensure that they are genuine claims to avoid payment of fraudulent claims. Once collected through stocktaking and verified, the data of the domestic arrears should be analyzed and classified for the purpose of arrears clearance. Also, according to the ACF, the State Government intended to provide a total of Four billion, six hundred million spread over four quarters for the clearance of gratuity arrears. Of this Two billion Naira was released for the clearance of gratuity arrears. Also, the ACF stated that the State Government will provide 2 billion Naira for the clearance of contractual arrears for the year 2021. However, the State Government released ₦3,035,702,443 for the clearance of contractor arrears during the year. The IVA obtained the hardcopy of the ACF from the state and also confirmed its publication on the state's website. Also, the state provided the SARVCR which shows clearance of arrears in accordance with the ACF.	Satisfactory	
3	Has the ACF been published on a State official website?	a) IVA confirmed that the ACF has been published on a State official website b) We downloaded a copy of the ACF for validation c) The weblink of publication of the ACF is https://kebbistate.gov.ng/arrears-clearance-framework-kebbi-state The IVA obtained the IT backend timestamps to confirm the date of publication.	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?	We confirmed that the clearance of domestic expenditure arrears is consistent with the ACF We obtained the schedule of payments of arrears and the amount provided for the clearance of domestic arrears as stated in the ACF. This also conformed with the prioritization method stated in the ACF.	Satisfactory	

5.	Has the State established an Internal Domestic Arrears Database?	a) The State has established an Internal Domestic Arrears Database
		b) The Internal Domestic Arrears Database includes the following:
		  i) The aggregate and individual amounts of contractors' arrears. The contractor arrears 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, and billing data (as applicable). The database also showed the total domestic arrears stock at the end of each year.
		  ii) The aggregate amount of pension and gratuity arrears was stated
		  iii) The aggregate amount of salary arrears and other staff claims was not stated as this was not accrued
		  iv) There were no other types of domestic arrears
		c) We confirmed that a verification process is in place for the arrears in the database
		d) We confirmed through evidence provided by the state and explanations given that the State has conducted verification of arrears balances.
		e) We conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database by cross checking with the audited financial statements as well as the schedule of payments provided by the State.
		f) The State submitted the annual state arrears recording, verification, and clearance report (SARVCR) to the IVA
			Satisfactory	

6	Has the State published online elements of the	a) We confirmed that the State has published online the required elements of the Internal Domestic Arrears Database as at the	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
internal domestic arrears database for the FY **2020** and FY **2021** reported on a State official website, which constitutes the online publicly accessible arrears database?	end of 2020 and 2021. b) We 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. c) We confirmed that the website supporting the online publicly-accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online and attaching supportive evidence of her claim. d) We confirmed that the online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State. e) The portal provides an email for contractors to send their feedback. The IVA tested the online portal by sending an email to dmo@kebbistate.gov.ng and a response was received. f) No records were obtained from the State on the omissions reported by contractors as none were reported during the period. g) There were no omissions of contractor arrears hence none were found valid and included in the internal domestic arrears database. h) The weblink of publication of the online publicly accessible arrears database is https://kebbistate.gov.ng/arrears-clearance-framework-kebbi-state The contractor arrears were published on https://kebbistate.gov.ng/kbsg-contractors-arrears-31st-december-2021 i) The State published online elements of the internal domestic arrears database for the FY 2020 and FY 2021 reported on a		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		State official website, which constitutes the online publicly accessible arrears database There is also a facility which allows a 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.		
7.	Does the online publication include? 1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.	The online publication includes the aggregate amount of: i) Contractor arrears ii) Pension and gratuity arrears There were no salary arrears or other types of domestic arrears. The online publication also contains the names of contractors owed ₦20m in arrears and above.	Satisfactory	
8.	Has the State met the following? (i) Percentage decline in			Satisfactory	

Aggregate Amount	2021 (₦)	2020 (₦)	Diff. (%)

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
	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. **Basic target**: At least a 5 percent decline or maintain stock below 5 billion naira **Stretch target**: More than 20 percent decline *The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.*	Contractors Arrears	11,629,489,871	16,177,272,281	28.1		
		Pension and Gratuity arrears	6,543,589,841	6,625,719,053	1.2		
		Salary arrears and Staff claims	Nil	Nil			
		Judgment Debt	Nil	Nil			
		Other types of domestic expenditure arrears	Nil	Nil			
		Total Domestic Arrears	18,173,079,712	22,802,991,334	20.3		

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. The breakdown of contractual liabilities and pension and gratuity liabilities are in Notes 35 and Note 36 of the AFS respectively.

$$\frac{₦22,802,991,334 - ₦18,173,079,712}{₦22,802,991,334} \times 100$$
$$= \textbf{20.3\%}$$

The percentage decline is 20.3%. The domestic arrears declined by 20.3% from 2020 to 2021.
Source: State Internal Domestic Expenditure Arrears Database

In furtherance to the above, the IVA observed that there was an adjustment in the total domestic arrears for the year 2020, which is from ₦21,290,911,333 to ₦22,802,991,334.

The State needs to explain in details the reason for the adjustments in total domestic arrears.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The State responded to the IVA's enquiry as follows: "2. The Arrears clearance and recording process is an ongoing process at the State Debt Management Department. The Adjustments made were arrears relating to previous years whose details were not available to the Debt Management Department as at the end of 2020. A sum of N1,512,080,000 was the adjustments made to the Debt as the claim relates to previous years Expenditure incurred by the State Government. This value was therefore considered in the adjusted opening balance of N22,802,991,334 and the Closing balance of N18,173,079,712 for the year 2021.		
		3. Upon presentation of these previous years arrears in 2021 and following the processes for recording and verification at the Debt Management Department, it was treated in line with the verification protocol by being included in opening and closing balances.		
		4. Furthermore, please note that if this N1,512,080,000 adjustment has been included also in APA 2020, Kebbi State would have still achieved the same Stretched target in that year in which a 34% reduction would have come to 30% reduction.		
		5. The Adjustments therefore ensure completeness of records and should not constitute a challenge to the State in meeting the requirement of this DLI.		
		6. We therefore clarify our position further that the State had recorded a significant reduction in her Stock of Domestic Arrears and this DLI should be considered satisfactory."		
		IVA noted the State's response as satisfactory.		
DLI 9: Improved Debt Sustainability				
DLR	Average monthly debt		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
9.0	service deduction is < 40% of gross FAAC allocation for FY2021 AND Total debt stock at end of December 2021 as a share of total revenue for FY 2021 meets target: -Basic target: < 120% -Stretch target: < 95%		(Basic Target Met)	
1	Has the State met: (i) the ratio of total debt stock at end-of-year (31st December 2021) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2021)? -Basic target:< [120%] -Stretch target: < [95%] (ii) Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021.	The Tables below shows the calculations and adjustments made to arrive at the appropriate figures for this comparison. **Total Public Debt*** |	Financial Statements ₦	DMO/ SDEDR Figures ₦
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Total Domestic Debts	52,328,132,269.41	72,081,322,692.25
Total External Debts	18,791,954,779.45	18,791,954,779.80
Total Public Debts	71,120,087,048.86	90,873,277,472.05 | **Total Annual Revenue** |	
---	---
2021 Adjusted IGR (see DLI 4.2)	₦9,764,550,827
Gross FAAC Allocation**	₦64,706,571,777.00
Grants	₦2,446,620,000.00
Other Revenues	₦8,688,483,833.00
Total Revenue	₦85,606,226,437.00	 a. The IVA is yet to obtain the State Domestic and External Debt	Satisfactory	.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	Report (SDEDR) from the Federal DMO. b. We have computed the Total Debts Stock/Revenue percentage for the 2021 year, as follows: $$\frac{₦90,873,277,472.05}{₦85,606,226,437.00} \times 100$$ **=106%** We have computed the Total Debt Service Deduction/ Gross FAAC Allocation percentage for the 2021 year, as follows: $$\frac{₦3,476,262,201.00}{₦64,706,571,777.00} \times 100$$ **= 5.4%** c. IVA has obtained the Federal DMO State Domestic and External Debt Report (SDEDR). The Debt Stock stated in the Audited Financial Statements is ₦71,120,087,049.00 (Page 9) that is the Domestic Debt is ₦52,328,132,269.40 (Page 9) and while the External Debt is ₦18,791,954,779.45 (Federal DMO) **Sources:** i. For Total Revenue 2021 Audited Financial Statement, Page 5 and FAAC NBS ii. For Total Public Debt from DMO* as of December 31, 2021 iii. NBS/OAGF (FAAC) *Table 3(i) below holds a breakdown of the Total Debt. ** Refer to the FAAC table on DLI9 provided.		

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

S/N	KEBBI STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	21,943,540,631.39
2	BAIL OUT (SALARIES) (SOURCE CBN)	6,819,889,177.83
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
4	EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,658,684,304.40
5	STATE BONDS	-
6	COMMERCIAL BANK LOANS	987,628,883.62
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	19,884,867.36
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	1,414,839,760.08
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	-
11	HEALTHCARE DEDUCTIONS	-
12	BRIDGE FINANCE FACILITY	3,053,241,757.40
13	FAMILY HOMES FUND	-
14	ANCHOR BORROWERS PROGRAMME	10,010,533,598.35
15	OTHER FGN INTERVENTIONS	-
16	MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF)	-

S/N	KEBBI STATE	2021 - AMOUNT (₦)
17	JUDGEMENT DEBTS	-
18	GOVT - GOVT DEBTS	-
19	CONTRACTORS' ARREARS	11,629,489,871.08
20	PENSION AND GRATUITY ARREARS	6,543,589,840.73
21	SALARY ARREARS AND OTHER CLAIMS	-
22	OTHER DEBTS	-
	TOTAL DOMESTIC DEBT (TDD)	**72,081,322,692.25**
	TOTAL EXTERNAL DEBT (TED)	**18,791,954,779.80**
	TOTAL PUBLIC DEBT (TED+TDD)	**90,873,277,472.05**

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

TEMPLATE: OPTION B	₦
Item	**2021**
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	64,706,571,777
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	44,179,198,395
1.1.1 Gross statutory allocation	37,277,608,650
1.1.2 Derivation	0
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	6,901,589,745
1.2 VAT	**20,527,373,382**
2. Internally Generated Revenues (IGR) - Adjusted	**9,764,550,827**
3. Grants (internal and external)	**2,446,620,000**
4B. Total Other Revenues reported in AFS without adjustment	**8,688,483,833**
5. INVALID items to be deducted if reported as part of Other Revenue	-
Paris club refund	-
Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)	-
Sale of govt property, privatization proceeds	-
Savings	-
Miscellaneous	-
Total Revenues and Grants Calculations	
B) Total Revenues and Grants is (1+2+3+4B) minus (5)	85,606,226,437

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	**1. DLI 6.2 – _EPROCURMENT – _STATE REPONSE** We wish to object to the IVA conclusion on this DLI. We strongly believed that based on the Materials, Man and Money already deployed by the State in the implementation of E-procurement, we have not only met the demand of the protocol but exceeded expectations. Please find as below: **Issue Number One-** link is: https://eprocurement.kebbistate.gov.ng/epps/home.do However, this website was not accessible through an official State website **RESPONSE**: The website is an official State-owned website and even the title of the website reflect it adequately as no other person or institution can lay claim to kebbistate.gov.ng but Kebbi State Government of Nigeria. **Issue Number Two**: **No prior notices or evidence of online publication of past tenders etc. were seen. The link to Prior Information Notices yields a page with the message 'No published Notice is found'. (screenshot retained)** **RESPONSE:** The Prior Information Notice (PIN) is not mandatory for the preparation and publication of a procurement process, as it only allows a Procuring Entity user to announce the authority's intention for a future procurement. In case the IVA team needs to check the Bid Notices of the published procurement processes then IVA have to search through the Advanced Search URL (https://eprocurement.kebbistate.gov.ng/epps/prepareAdvancedSearch.do?type=cftFTS) for all the processes of the system. The Bid Notices are available under the "Process Documents" menu item. Please also have in mind that in case you access the system as guest users, it will only be possible to search for the publicly available processes (Open Domestic/ International Bidding). Additionally, the IVA team can check the Bid Notices of all the awarded process upon selecting the respective process from the list of "Awarded Contracts" (https://eprocurement.kebbistate.gov.ng/epps/viewAllAwardedContracts.do) and then select the "Process Documents" menu option. **Issue Number Three**- The e-procurement portal holds non-credible procurement plans for the three required MDAs. The Min of Health procurement plan dated 30 May 2022 holds three items with a total estimated cost of N45m. An earlier plan for the same Ministry dated 18 March 2020 holds three items with a combined estimated cost of N33.2m. The Min of Education procurement plan dated 30 May 2022 holds four items with a total estimated cost of N627.4m. The Min of Works procurement plan dated 30 May 2022 holds three items with a total estimated cost of N80m. (screenshots retained for all three MDA plans). This indicates that the Procurement Planning module is not as yet in proper use. **RESPONSE** – _The Procurement Planning Module is in use. It should be noted that the few errors noted are due to entry errors by the User. IVA also needs to note that, the system allows a User who has the control to update the procurement plan from time to time as occasion requires, anytime during the fiscal year. This is in line with global best practice in public procurement.	IVA notes the State's response. IVA took samples and checked, which were reflected in the report.

Issue Number Four: *The link on the e-procurement home page to 'Current Processes' yields a blank page that says 'No results found'. (screenshot retained). This indicates the e-tendering module is not in use.*

RESPONSE: Please note that that the "Current Process" page contains only the procurement processes that are under "Bid submission" status. That is procurement activities that are still at tendering stage. So, where bids have been submitted, such process_will_cease_to_ be_ a_ _"current_ _process_"._ _Hence_,_ _it_is_normal_ _that it is empty if there are no competitions that are currently in this stage. In case the IVA team needs to check the published procurement processes then they have to search through the below Advanced Search URL (https://eprocurement.kebbistate.gov.ng/epps/viewCFTSFromFTSAction.do) for all the processes available in the system. To this end, the system behaves as expected.

Issue Number Five: The link to 'Opened Bid details' shows 24 contracts were awarded in 2022. All are shown as awarded on 23 June 2022, all have the same bid submission deadline of 22 June 2022. The link to awarded contracts also shows 24 contracts which were all awarded on 23 June 2022. (all screenshots retained). This indicate the e-evaluation and e-award modules were not in use for the six month period ending on 30 June 2022, despite the system going live on 20 Dec 2021. Note the VP requires evidence of transactions for the six month period.

RESPONSE: Kindly note that the System is in use as expected within the minimum required timelines defined in the verification protocols.

Besides, it should be noted that, the use of the procurement system, as envisaged by the defined verification protocol under the SFTAS programme should not be misconstrued as only when Contracts are awarded. Every procurement transaction has a lifecycle, which starts from the time the activity was prepared as various packages in the Annual Procurement Plan till the time is finally consummated through contract award. Furthermore, procurement scheduling and implementation is determined by several factors.

CONCLUSION:

IVA Draft Report acknowledged that the State met the requirement of the protocol and we quote from the sent report as below:

a. "The_ _State_ _has_ _implemented_ _e_-procurement in at least four (4) MDAs (including Education, Health, Public Works, and Water Resources) by 30 June 2022. Copy of the e-procurement Screenshot for implementation of the modules of e-procurement was retained in the assessment file and the web link is: https://eprocurement.kebbistate.gov.ng/epps/home.do However, this website was_not_ accessible_ _through_ _an official_ _State_ _website" _

b. 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. The evidence such as the Screenshot of the e-registration, e-publishing, e-tendering, e-evaluation, and E-award_ _which_ _consisted_of_the_States' _e_-procurement lifecycle was retained in the assessment file.

b) The IVA initially observed that the selected transactions followed the Procurement Lifecycle as contained in f above.

c) The IVA observed that no part of the transaction was conducted outside of the e-Procurement system.

d) The e-Registration, e-Publishing/Notification, e-Tendering, and e-Evaluation/e-Awarding modules have been

	implemented and contained transactions processed through them for the period of 1 January 2022 to 30 June 2022. Further-more, the IVA retained the Screenshot of the modules which showed that the State implemented all e-Procurement sections or modules e) 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 31st December, 2021 to 30 June 2022. The IVA also confirmed and retained the Screenshot of all transactions in line with this test. f) The evidence obtained for the selected sample transactions is Screenshots of all the procurement process which passed through all the required modules of the e-procurement system. Despite all above commendation, the State was not cleared in the Draft Report as against the Initial Report where all questions was answered and marked Satisfactory. We therefore reject the basis of the Conclusion of the IVA and request a review of the conclusion reached therein.	
2	**DLI 8** **ISSUE: In furtherance to the above, the IVA observed that there was an adjustment in the total domestic arrears for the year 2020, which is from ₦21,290,911,333 to ₦22,802,991,334. The State needs to explain in details the reason for the adjustments in total domestic arrears.** **RESPONSE:** 1. In line with the Verification protocol Version 9.0 June 2022 on page 52 stated: **"Note: States and the IVA will do the following to calculate the percentage reduction in_ _cases_ where States find invalid arrear or additional valid arrears during the verification process in-year.** **If States find invalid arrears, these arrears should be removed from the start of year and end of year balances for the purpose of calculating the percentage reduction in the DLI.** **If States find additional valid arrears, these arrears should be included in the start of year and end of year balances for the purpose of calculating the percentage reduction in the DLI.** 2. The Arrears clearance and recording process is an ongoing process at the State Debt Management Department. The Adjustments made were arrears relating to previous years whose details were not available to the Debt Management Department as at the end of 2020. A sum of N1,512,080,000 was the adjustments made to the Debt as the claim relates to previous years Expenditure incurred by the State Government. This value was therefore considered in the adjusted opening balance of N22,802,991,334 and the Closing balance of N18,173,079,712 for the year 2021. 3. Upon presentation of these previous years arrears in 2021 and following the processes for recording and verification at the Debt Management Department, it was treated in line with the verification protocol by being included in opening and closing balances. 4. Furthermore, please note that if this N1,512,080,000 adjustment has been included also in APA 2020, Kebbi State would have still achieved the same Stretched target in that year in which a 34% reduction would have come to 30%	IVA Notes the State's Response and has included it in the report.

	reduction. 5. The Adjustments therefore ensure completeness of records and should not constitute a challenge to the State in meeting the requirement of this DLI. 6. We therefore clarify our position further that the State had recorded a significant reduction in her Stock of Domestic Arrears and this DLI should be considered satisfactory.		
3	DLI 9 **ISSUE: Basic Target Met)** **Our records shows that we actually met the Stretch Target and not the stated Basic.** **RESPONSE:** 1. We noted the use of a wrong value of Total Domestic Debts by the IVA whose basis was said to be DMO/SDEDR. 2. The value of the State Total Stock of Domestic Arrears as stated in the Audited Financial Statement, State Domestic Debt Report and Debt Management Office Abuja were all the same value and there are no differences. 3. The Value of N72,081,322,692.25 is unknown to the State, DMO and also the SDEDR. 4. We therefore consider the IVA conclusion as an error and request that the correct value of Total Domestic Debt Stock as at 31st Dec 2021 being **N52,328,132,269.41** be used as that is the correct figure reported on all the three platform of Audited Financial Statement, State Domestic Debt Report and Debt Management Office. 5. Upon usage of this correct amount of total domestic debt stock as at 31st December, 2021, It is clear that the State Debt to Revenue is 83.1% which does not only meet the requirement of the protocol for Stretch target but surpass its expectation of 95%. 6. For Further confirmation (a), Please visit DMO Website to download below: https://www.dmo.gov.ng/debt-profile/sub-national-debts/3854-states-and-fct-domestic-debt-stock-as-at-december-31-2021 7. Furthermore, we attach the DMO Report on SubNational Debts of FCT and all States in Nigeria which you can download above reflecting a correct Total Debt Stock as at 31st Dec 2021 of **N52,328,132,269.41.** 8. Furthermore, we also attach the DMO Report on Total Public Debts of the Country in which SubNational Debts of FCT and all States in Nigeria was Stated as N4,458,244.14million Stock as at 31st Dec 2021 of **which Kebbi State own as earlier shown in the breakups is N52,328,132,269.40. We attach the report also.** 9. Furthermore, we attach the State Domestic Debt Report of Quarter 4 2021 which was submitted and accepted by Debt Management Office of Nigeria, Abuja without any objection raised.	Table 3(i) shows the breakdown of the States Domestic Debt Records provided by the Federal Debt Management Office for Kebbi State. Recall that the Requirements of the Verification Protocol states *"…State debt stock data used to calculate the debt-to-revenue indicator will be primarily obtained from the annual State Domestic and External Debt Report (SDEDR) for each state issued by the DMO for the year under assessment…"* Thus, the records utilized by the IVA is consistent with the requirements of the verification protocol and so, the results remains valid.	

10. We therefore request a review of this position and the State marked to have achieved Stretch Target of below 95% Debt to Revenue Ratio. See below:
 	
Total Public Debt* Financial DMO/ SDEDR Figures
Statements ₦ _
₦ _
Total Domestic Debts   52,328,132,269.41   52,328,132,269.40
Total External Debts   18,791,954,779.45   18,791,954,779.80
Total Public Debts   71,120,087,048.86   71,120,087,049.20
 	
Total Annual Revenue 2021   ₦9,764,550,827
Adjusted IGR (see DLI 4.2)
Gross FAAC Allocation**   ₦64,706,571,777.00_ _
Grants   ₦2,446,620,000.00_ _
Other Revenues   ₦8,688,483,833.00_ _
Total Revenue   ₦85,606,226,437.00_ _
 	
     a._ The IVA is yet to obtain the State Domestic and External Debt Report (SDEDR) from the Federal DMO.
 	
     b._We have computed the Total Debts Stock/Revenue percentage for the 2021 year, as follows:
 	
₦71,120,087,049.2_ _x_ _100_ _
 	
₦85,606,226,437.00_ _
           =83.1%	

4	