



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

2021 Annual Performance Assessment (APA) Report

KOGI 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 Kogi 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 Kogi State and shows areas where the State was able to achieve results. In total, Kogi State achieved 10 (Ten) DLRs out of 15 DLRs applicable to the 2021 APA of which 3 (Three) DLRs were achieved in the 2018 APA.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: 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%		The State did not prepare accurate financial statements to reflect the actual outturn
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.		
	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.
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.		The State TSA did not cover a minimum of 80% of the Government finances.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	2018	
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target -Basic target: 20%-39% -Stretch target: 40% or more		The State did not provide sufficient evidence that the accrued IGR is genuine
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		
	DLR 5.2: Link BVN data to at least 95 percent of current civil servants and pensioners on the payroll and payroll fraud		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	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	2018	
	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		There was incomplete publication of contract award information for online.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.	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.		
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	Basic Target 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%, Stretch target: < 95%.	Basic Target Met	

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

1. **DLR 1.2:** Prepare accurate financial statements to reflect the actual outturn
2. **DLR 2.2:** Citizen's Accountability Reports based on audited financial statements /reports are summarized and comprehensible versions of the audited statements
3. **DLR 3.0:** Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.
4. **DLR 4.2:** Improve its IGR collection to achieve significant year on year growth in nominal IGR.

5. DLR 6.2: Contract award information, above the set threshold, should be published online every month in OCDS format on the State's website.

The Office of the Auditor-General for the Federation (OAU GF) 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 (4/7/2022 and 8/7/2022) with a team of six (6) persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

The draft conclusions from the work done 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?	<p>The Quarterly Budget Implementation Reports were posted online on:</p> <p>Q1- 2021 https://kogistate.gov.ng/sftas/wp-content/uploads/Kogi-State-First-Quarter-Budget-Performance-Report-FY-2021.pdf</p> <p>Q2- 2021 https://kogistate.gov.ng/sftas/wp-content/uploads/Kogi-State-Second-Quarter-Budget-Performance-Report-FY-2021.pdf</p> <p>Q3- 2021 https://kogistate.gov.ng/sftas/wp-content/uploads/Kogi-State-3rd-Quarter-Budget-Performance-Report-FY-2021-CRCE.pdf</p> <p>Q4- 2021 https://kogistate.gov.ng/sftas/wp-content/uploads/Kogi-State-fourth-Quarter-Budget-Performance-Report-FY-2021-CR.pdf</p> <p>Accessed by the IVA on 07/07/2022.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Dates of online publication are as follows:</p> <ul style="list-style-type: none"> ● Q1 – 27 April 2021 – 3.85 weeks (27 days) ● Q2 – 23 July 2021 – 3.28 weeks (23 days) ● Q3 – 26 October 2021 – 3.71 weeks (26 days) ● Q4 – 26 January 2022 – 3.71 weeks (26 days) <p>Average days (weeks) for the online publication was computed based on the last 4 quarters, as below:</p> $\frac{27+23+26+26}{4} = 102$ <p>Average= 25.5days (3.64weeks)</p> <p>The IVA downloaded the Quarterly Budget Implementation Reports for all four quarters for the year 2021 and retained evidence of the Timestamp of the publications.</p>		
2	<p>Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic 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</p>	<p>From our review of the Quarterly Budget Implementation Reports (BIRs) (see web links above), we observed the following:</p> <ol style="list-style-type: none"> a) Based on the review of the reports, the IVA team was able to confirm 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) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each MDA as well as the actual cumulative expenditures for the year to date. c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations. d) The State has a revised budget for the year 2021. 	Satisfactory

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	appropriations.	<p>e) The Budget Implementation Report for Q4 showed both the approved original budget AND the revised budgets.</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	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 balance against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	The State's Budget Performance Reports also shows 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	The State did not compute the budget deviation.		The State should

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations												
<p>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 IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="684 311 1368 621"> <thead> <tr> <th></th> <th>Total Approved Budget (₦)</th> <th>Actual Outturn (₦)</th> </tr> </thead> <tbody> <tr> <td>Capital Exp</td> <td>56,498,907,544</td> <td>48,444,145,297</td> </tr> <tr> <td>Rec. Exp</td> <td>74,047,160,682</td> <td>81,038,767,460</td> </tr> <tr> <td>Total</td> <td>130,546,068,226</td> <td>129,482,912,757</td> </tr> </tbody> </table> $\frac{\text{₦}130,546,068,226 - \text{₦}129,482,912,757}{\text{₦}130,546,068,226} \times 100$ $= 1\%$ <p>The budget performance deviation is 1%.</p> <p>Source: 2021 Audited Financial Statement (Page 9) and Approved Budget (Page 15)</p> <p>The IVA observed a discrepancy between the amount of the Capital Expenditure in the Statement of Cash Flow (₦48.44bn) per the AFS and the actual Capital Expenditure (₦27.78bn) per the Statement of Comparison of Budget to Actual for the period. An APA issue has been raised and forwarded to the State on this matter.</p> <p>The State responded thus:</p> <p>"The Actual Capital Expenditure for the year 2021 is ₦27,783,364,874.00 (<i>See the REVISED 2021 FS.</i>)</p> <p>This amount is equally reported on;</p> <ul style="list-style-type: none"> i. Page 121, Schedule of Capital Expenditure for the year 2021 as shown in the Revised Financial Statements, ii. Page 9, Statement of Comparison of Budget to 		Total Approved Budget (₦)	Actual Outturn (₦)	Capital Exp	56,498,907,544	48,444,145,297	Rec. Exp	74,047,160,682	81,038,767,460	Total	130,546,068,226	129,482,912,757	Unsatisfactory	prepare accurate financial statements to reflect the actual outturn
	Total Approved Budget (₦)	Actual Outturn (₦)													
Capital Exp	56,498,907,544	48,444,145,297													
Rec. Exp	74,047,160,682	81,038,767,460													
Total	130,546,068,226	129,482,912,757													

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Actual,</p> <p>iii. Page 9, Six Year Summary (Trend Analysis) of Budget to Actual, and</p> <p>iv. Page 10, Revised Consolidated Statement of Cash-flow</p> <p>v. Page 80, NOTE 32 - Schedule to PPE</p> <p>NOTE: The discrepancy observed in the PUBLISHED Cash-flow Statement when compared to other Statements, Schedules and Notes was due to FORMULA LINKAGE ERROR.</p> <p>Therefore, you are required to acknowledge the amount as in revised Cash-flow Statement in the AFS herewith attached.”</p> <p>The State did not attach the Revised 2021 AFS, neither was a weblink provided. IVA could not find evidence of a Revised 2021 Audited Financial Statement on the state's official website.</p>		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	<p>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget AND</p> <p>Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms</p>		Achieved	
1	Did the State conduct at least one “town-hall” consultation before the proposed budget is drafted with the participation of	Kogi State conducted a town hall meeting on 14 September 2021 at Idrinana Hotel Lokoja to obtain citizens input in the drafting of the proposed 2022 Annual Budget. The IVA team obtained the signed minutes of the meeting, attendance		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
local government authorities and State-based CSOs?	<p>register and some photos of the event.</p> <p>a) The LGAs in attendance include:</p> <ul style="list-style-type: none"> • Kogi LGA - HRH, Alhaji Dauda Mukailu • Dekina LGA - Ayuba Jibril • Mopa Moro LGA - Titus Alonge • Ijumu LGAI – Mohammed Fatima <p>b) Some of the Citizens Based Groups and Civil Service Organization in attendance include:</p> <ul style="list-style-type: none"> • INGRA - Hamza Aliyu • KONGONET - Idris O. Muraina • NBAI – Ayuba Jibril <p>c) The information on the attendees were drawn from the signed minutes of the meeting, attendance sheet, and questionnaires.</p> <p>d) The town hall meeting on the proposed budget was held on 14 September 2021 at Idrinana Hotel Lokoja.</p> <p>e) IVA called 12 attendees. However, feedback was received from 10 attendees.</p> <p>f) The Proposed Budget on the State website did not disclose the date when it was drafted. However, the State provided the cover letter forwarding the Budget to the House of Assembly on 18 October 2021, which was after the town hall meeting.</p> <p>g) The town hall meeting was held on 14 September 2021 while the draft budget was sent to the State House of Assembly on 18 October 2021.</p> <p>h) The draft budget of the State was published online on 4 November 2021. The Annual Approved Budget was published on 26 January 2022.</p> <p>i) The State Annual Approved Budget was published on 26 January 2022 before the 31 January 2022.</p> <p>j) https://kogistate.gov.ng/sftas/wp-</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		content/uploads/2022-Draft-Budget.pdf. This was accessed on 6/7/2022.		
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?	<p>a) Mr Idris O. Muraina (Chairman KONGONET) co-signed the minutes. IVA has retained a copy of the signed minutes in the assessment file.</p> <p>b) The title of the minutes was “Report of Town Hall Engagement on 2022 Budget Formulation” Held at the Conference Hall of Idrinana Hotel, Lokoja on Tuesday 14 September 2021. The minute was signed on 16 September 2021.</p> <p>c) https://kogistate.gov.ng/sftas/wp-content/uploads/REPORT-OF-STAKEHOLDERS-TOWNHALL-ENGAGEMENT-ON-2022-BUDGET-FORMULATION.pdf. This was accessed on 05/07/2022.</p> <p>d) The minutes of the meeting was signed before it was published online.</p>	Satisfactory	
3	Has the State published online, on the State website(s) a <i>Citizens Budget based on the Approved Budget (2021)</i> not later than 30 April 2021?	<p>a) The Citizens Budget based on the Approved Budget 2021 was published on the 1st March 2021 before the due date via https://kogiState.gov.ng/sftas/wp-content/uploads/Kogi-State-2021-Citizens-Budget.pdf accessed on 05/07/2022.</p> <p>b) IVA compared the 2021 Approved Annual Budget with the 2021 Citizens Budget. There were no discrepancies noted in the Citizens Budget and the approved Annual Budget.</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. IVA confirmed there were no significant areas of discrepancies.</p> <ul style="list-style-type: none"> i. Simple explanation of the annual approved budget/citizen’s budget. - Nil ii. The sources of revenues- Page 2 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>iii. Sources of domestic and foreign grants, domestic loans, and other financing sources- Page 2</p> <p>iii. Total expenditure by economic classifications- page 3</p> <p>iv. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap- Page 1</p> <p>v. Disclosure of Budget deficit (if any) and how it will be financed- Page 1&2</p> <p>vi. Sectoral Allocation (by MDAs)- Page 8-11</p> <p>vii. Top Projects to be financed (at least 5)- Page 12-13</p> <p>d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included expect the Simple explanation of the annual approved budget/citizens budget.</p>		
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	Though the Citizens Budget did not contain a Simple explanation of the annual approved budget/citizens 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?	<p>a) IVA confirmed that the State has established a functional feedback and response online mechanism on the State website.</p> <p>b) The State operates an online form feedback mechanism.</p> <p>c) The States Feedback mechanism provided the following:</p> <ul style="list-style-type: none"> I. An acknowledgement of the receipt of comments made on the feedback form II. The States website feedback mechanism also provides the States responses to comments and feedback through emails III. The State website also contained a mobile number to be called to get further information <p>d) IVA conducted a walkthrough test of the States feedback</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>mechanism by submitting an online request which was responded to by the State official through an official email address.</p> <p>e) Though the State's feedback mechanism is functional, a demonstration was done and IVA confirmed that there has not been effective engagement by the citizens on the platform. Most of the feedback received by the State through the feedback mechanism were unrelated to the states policies and programs.</p> <p>f) Based on the review carried out, the States feedback mechanism is functional</p> <p>g) The weblink: https://kogiState.gov.ng/sftas/</p>		
DLR 2.2	Citizen's Accountability Report based on audited financial statements/report published online for FY2020 not later than 30th September 2021.		Not Achieved	
1	Did the State prepare the Citizens Accountability Report to explain the full Annual Audit Report in a summarized form?	<p>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.</p> <p>b) The downloaded Citizens Accountability Report has been reviewed by the IVA.</p> <p>c) The Citizens Accountability Report was published online on 29 September 2021.</p> <p>d) The Citizens Accountability Report was compared to the Annual Audit Report for the 2020 FY. There were no discrepancies noted.</p> <p>e) IVA Obtained the signed minutes of the consultative forum set up by the state for the purpose of presenting the Citizens Accountability Report.</p>	Satisfactory	
2	Has the State published a Citizens Accountability Report	<p>a) The Citizens Accountability Report based on the Annual</p>	Unsatisfactory	The Audit findings in the CAR should be an

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>based on the Annual Financial statements/ Audit Report for FY 2020 not later than 30 September 2021?</p>	<p>Audit Report (2020) was published before the due date on 29/09/2021 via /kogistate.gov.ng/sftas/wp-content/uploads/CAR-NARRATIVE-OF-KOGI-STATE-2020-FINAL-CITIZENS-ACCOUNTABILITY-REPORTS-CAR.pdf and accessed by IVA on 7/07/2022.</p> <ul style="list-style-type: none"> b) The Annual Audit Report and the Citizens Accountability Report for the 2020 Financial Year were compared by the IVA. There were discrepancies between the two e.g. E.g. the number of queries mentioned do not exist and some of the nature of queries could not be found in the Annual Audit Report c) IVA confirmed that the Citizens Accountability Report was prepared in the format given to the State. It provided all the details below <ul style="list-style-type: none"> i) Simple explanation of the Citizens Accountability Report and Executive Summary- Page 2 ii) The Budget Outturn- Page 4 iii) The Revenue Outturn- Page 7 iv) The Expenditure Outturn- Page 10 v) The Audit Findings- page 13 vi) The Audited Financial Statements- Page 13 vii) Top Sectoral Allocations- Page 16 viii) Top Value Capital Projects- Page 23 ix) Citizens-Nominated Projects-Implementation Status Report- Page 24 d) The minimum requirements in i – ix above were well detailed in the 2020 Citizens Accountability Report for 2020 e) The suggested format was used. <p>In furtherance to the above, the IVA observed the report does not include any audit findings. The reason for the request to provide the Audit Report is because without it we</p>		adequate presentation of the Audit Report

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>cannot check how accurately the audit findings is presented.</p> <p>Therefore, the State was required to explain why there are no audit findings in the CAR and also provide a copy of the Audit Report for the 2020 Audited Financial Statements as part of the response. State provided an updated CAR with audit findings and the Auditor-General's Report for 2020.</p> <p>IVA reviewed the State's submission and confirmed that the extract of Audit Queries from the CAR do not reflect the findings in the Annual Audit Report for 2020. E.g. the number of queries mentioned do not exist and some of the nature of queries could not be found in the Annual Audit Report</p> <p>Therefore the IVA considers it unsatisfactory.</p>		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	<ul style="list-style-type: none"> a) The 2020 Citizens Accountability Report presented a summarized version of the Audited Financial Statement for the year 2020 (Page 13 - 16) b) The Citizens Accountability Report included a concise explanation of the key components of the FY2020 Audited Financial Statements. c) Kogi State Government published the Audited Financial Statement on two National daily Newspapers (Blueprint and Leadership) on Friday 30 July 2021 d) The State Government also held a consultation meeting on 14 September 2021 to present the 2020 Audited Financial Statement. The IVA team obtained the signed minutes of the meeting <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. We further confirmed that the CAR was published online by the deadline and presented at a public consultation held on</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		14 September 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		Not Achieved	
1	Has the State established a functional State-level TSA?	<ul style="list-style-type: none"> a. The State has not established a functional state-level TSA. b. Kogi State operates one TSA account c. The State TSA account is shown below: <ul style="list-style-type: none"> I. Bank: UBA, II. Account Name: Kogi State Government SRA, III. Account Number: 1020895797. 	Unsatisfactory	
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 reliable information on the availability of funds.</p>	<p>Kogi State has a Cash Management Strategy.</p> <ul style="list-style-type: none"> a) The name of the Cash Management Strategy is "Guidelines for the operation of Treasury Single Account (TSA) and Cash Management Strategy." b) The Cash Management Strategy was produced on 9th February, 2017 and was signed by the Governor of the State. c) The Strategy includes the processes through which the State ministry of Finance or Budget/Economic Planning can forecast cash commitments and provide reliable information on the availability of funds as stated on Page 6 (Structure and Operational Guidelines for TSA implementation) d) The State's policy on sweeping of balances from other collecting banks is that "To make payment for Taxes or services money under TSA, depositors make payment to a transit account in a Deposit Money Banks (Commercial bank) and the funds are automatically remitted to the State TSA Custodian (Zenith Bank Plc now UBA) at regular intervals, say at the end of the business day or at 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>more frequent intervals." (Page 11 of Cash Management Strategy).</p> <p>e) Quarterly Cashflow Forecast 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. There is availability of funds as seen in the TSA Statement</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 accounts.</p> <p>a) The computer application's name is UBA, the producer of the application is UBA.</p> <p>b) The system is in line with the approved Cash Management Strategy</p> <p>c) It was deployed in May 2019</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 consolidated revenue account as part of the TSA.	<p>a) IVA visited 3 Revenue generating MDA's (Ministries of Health, Education and Lands & Urban Development). The Revenue focal persons at each MDA, TSA Bank Operator and Selected Fee Payers were interviewed to confirm that the TSA has one consolidated revenue treasury account. The Questionnaire response was retained in the assessment file</p> <p>b) The State TSA Bank is UBA, Account Name is Kogi State Government SRA, Account Number is 1020895797</p> <p>c) All govt monies such as FAAC and IGR go through the States' TSA account.</p> <p>d) IVA observed that all Government monies do not sit in the other revenue collecting banks.</p> <p>e) The TSA bank Statement was obtained and retained in the assessment file</p>	Satisfactory	
5	Does the TSA cover a minimum of 80% of the State	The IVA computed the total cash inflow and outflow from the TSA account against the total government finances		The State's TSA should cover all of

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations												
Government's finances?	<p>inflows and outflows as contained in the Cash Flow Statement for the year ended 2021.</p> <p>See the computation below:</p> <table border="1" data-bbox="688 306 1396 461"> <thead> <tr> <th></th> <th>Total Inflows (₦)</th> <th>Total Outflows (₦)</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>65,670,184,367</td> <td>66,848,807,266</td> </tr> <tr> <td>Government Finances*</td> <td>95,184,332,196</td> <td>129,482,912,757</td> </tr> <tr> <td>Percentage</td> <td>69%</td> <td>52%</td> </tr> </tbody> </table> <p>The average percentage computation is:</p> $\frac{69\% + 52\%}{2} = 60.5\%$ <p>The TSA covered 60.5% of the State's finances.</p> <p>*Sources: 2021 Audited Financial Statement (Cash flow Statement) Page 9 and the TSA Statement from UBA account 1020895797 for Kogi State from January 1- December 31st, 2021.</p> <p>IVA reviewed the TSA Bank Statement for Year 2021 and observed that transactions amounting to ₦3,110,795,018.98 cancelled out each other. This thereby reduced the TSA coverage of government finances from 60.5% as shown above to 57.5%. IVA is awaiting an APA Issue response on the reasons for these Reversals.</p> <p>Further review by the IVA showed that the State directed Access Bank to issue ISPO for debiting of its IGR account with the sum of ₦40,099,506.45 and remit same to Zenith Bank towards repayment into the Kogi State SRA (TSA). The IVA is awaiting APA Issue response from the State on why the ISPO directive to Access Bank debit of ₦40,099,506.45 did not show in the Access Bank Statement rather reflected in the States' TSA. Copy of this ISPO instruction was retained in the assessment file</p> <p>The Adjusted Computation of TSA coverage of Government</p>		Total Inflows (₦)	Total Outflows (₦)	TSA Bank Statement	65,670,184,367	66,848,807,266	Government Finances*	95,184,332,196	129,482,912,757	Percentage	69%	52%	Unsatisfactory	Government Finances.
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Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations												
		<p>Finances in Year 2021 is shown in the Table below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Inflows (₦)</th> <th>Total Outflows (₦)</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>62,559,389,347</td> <td>63,738,012,247</td> </tr> <tr> <td>Government Finances*</td> <td>95,184,332,196</td> <td>129,482,912,757</td> </tr> <tr> <td>Percentage</td> <td>66%</td> <td>49%</td> </tr> </tbody> </table> <p style="text-align: center;"><u>66%+49%</u> 2 = 57.5%</p> <p>The IVA is awaiting APA issue on the material difference existing between the total TSA (inflows or outflows) and the Cash flow Statement (inflows and outflows).</p>				Total Inflows (₦)	Total Outflows (₦)	TSA Bank Statement	62,559,389,347	63,738,012,247	Government Finances*	95,184,332,196	129,482,912,757	Percentage	66%	49%		
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DLI 4: Strengthened Internally Generated Revenue (IGR) Collection																		
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published				Previously Achieved in 2018 APA													
DLR 4.2	Annual nominal IGR growth rate meets target				Not Achieved													
1	Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20% - 39% Stretch Target: 40%	<p>a) Accrual basis of accounting was adopted for the 2020 and 2021 Audited Financial Statements</p> <p>b) The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 25%;"></td> <td style="width: 25%; text-align: center;">₦</td> <td style="width: 25%; text-align: center;">₦</td> <td style="width: 25%; text-align: center;">% GROWT</td> </tr> </table>				₦	₦	% GROWT	Unsatisfactory	The State did not provide sufficient evidence that the accrued IGR is genuine								
	₦	₦	% GROWT															

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Item	2020	2021	H		
		1. Reported IGR in AFS (Before Adjustments)	17,455,219,529	23,405,613,863	34%		
		2. INVALID items to be deducted IF reported as part of IGR	2,692,817	-			
		Sale of Govt property, privatization proceeds	2,692,817	-			
		3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)					
		Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	17,452,526,712	23,405,613,863	34%		
<p>*Please Unpack the Miscellaneous from the notes to the Account</p> $\frac{\text{₦}23,405,613,863 - \text{₦}17,452,526,712}{\text{₦}17,452,526,712} \times 100$ $= 34\%$ <p>The annual nominal growth was 34%</p> <p>Source: 2021 Audited Financial Statement Page 6.</p>							

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations		
		<p>In furtherance to the above, the IVA observed that Note 38 of the 2021 AFS has accrued revenue balances amounting to ₦6,600,661,576 (₦1.2bn was due from NEMCO and ₦5.4bn was due from Dangote Industries), which forms part of the IGR figure of ₦23,405,613,863.</p> <p>The State did not provide evidence to show that these Accrued Receivables for the year 2021 are genuine and to state if they were subsequently settled despite IVA's repeated requests.</p>				
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?	<p>The State commenced the Biometric data capture of the Civil Servant and Pensioners after the payment of August 2018 salary and completed it on 23rd January, 2019.</p> <ul style="list-style-type: none"> a) The Biometric data capture exercise was outsourced to Comsoft Nigeria Limited. b) The total number of Civil Servants is 18,705 c) The total number of Pensioners is 10,614 d) The total number of staff on the State Nominal roll is 29,319, the total number of staff on state payroll is 28,198. e) The total number of Civil Servants and pensioners on the Nominal roll and payroll did not change by 10% or more in comparison with the previous year. The actual change is 1.19% <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>Total No. of Civil Servants and Pensioners 2020</td> <td>28,974</td> </tr> </table>	Total No. of Civil Servants and Pensioners 2020	28,974	Satisfactory	
Total No. of Civil Servants and Pensioners 2020	28,974					

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations		
	<table border="1" data-bbox="720 204 1385 269"> <tr> <td data-bbox="720 204 1248 269">Total No. of Civil Servants and Pensioners 2021</td> <td data-bbox="1248 204 1385 269">29,319</td> </tr> </table> <p data-bbox="720 318 1056 383"><u>29,319-28,974</u> *100 28,974 =1.19%</p> <p data-bbox="720 416 1406 807">f) Biometrics data that has been captured is 28,198. The documents obtained for the IVA conclusion are: i. one-page progress report on biometric ii. consultant report. iii. Nominal roll and payroll records (to be seen and not taken away) iv. Biometrics database summary which indicates total number of biometrics records covered v. Sampled pensioners and civil servants vi. Completed questionnaires for sampled civil servants and pensioners.</p> <p data-bbox="960 848 1119 954"><u>28,198 x 100</u> 29,319 = 96.17%</p> <p data-bbox="671 962 1385 1028">The State had captured 96.17% of the State's Civil Servants and Pensioners on its payroll.</p> <p data-bbox="671 1068 1406 1199">IVA upon further review noted a decrease in staff number by 26 Civil Servants and increase in Pensioners number by 371 between 2020 and 2021. See extract from 2020 below</p> <p data-bbox="671 1199 1224 1256">a. The total number of civil servants is 18,731. b. The total Number of pensioners is 10,614.</p> <p data-bbox="671 1256 1362 1428">The comparison of the total numbers of Civil Servant and pensioners on the payroll in the previous year 2020 APA Report with the numbers stated for the year under assessment (2021) is 1.19% which shows that there is no significant difference.</p>	Total No. of Civil Servants and Pensioners 2021	29,319		
Total No. of Civil Servants and Pensioners 2021	29,319				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<ul style="list-style-type: none"> a) The State commenced and finished the linkage of the biometric data to the payroll in January 2019. b) A total of 28,198 staff with biometrics data has been linked to the payroll. c) There were no ghost workers detected during the biometric validations. d) ₦72,452,362.11 was saved from the retired workers detected. e) There are in-year changes to the Civil Servant and pensioner payrolls (because of starters, leavers, deaths, etc.) are captured by the biometric exercise. f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths. The documents obtained to support the conclusion are the report of the pay parade committee and response to question concerning the state biometric capture exercise. 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) Daily Clock in clock out, where if a person does not clock in for a month the system flags the payroll office and the person's salary will be stopped 	Satisfactory	
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<ul style="list-style-type: none"> a) 1,121 workers were detected during the linkage as staff that have retired as at December, 2021 b) There were no ghost workers identified. However, there was a record of staff expunged from the payroll due to retirement, study leave, sickness and death as at January, 2021. The IVA confirmed that Kogi State Government list of staff expunged (as a result of study leave, sickness and death) from payroll as at January, 2019 biometric exercise and Kogi State Government list of staff that retired were identified in September, 2018 and December, 2021. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) The identified retired workers were removed from the payroll in September 2018 and December, 2021.</p> <p>d) The payroll figure prior to their removal from payroll was N2,646,829,381.33</p> <p>e) The payroll figure after they have been removed is N1,711,686,846.54.</p> <p>f) The source(s) of these information is the one-page progress report on biometric and BVN Exercise.</p>		
5.2	Link BVN data to at least [95] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		Achieved	
1	Has the State linked the Bank Verification Number data to 95% of its current Civil Servants and pensioners on the State payroll?	<p>The State commenced the linkage of BVN data of the Civil Servant and Pensioners in December 2019 and is ongoing.</p> <p>a) The Biometric was outsourced to Comsoft Nigeria Limited Abuja</p> <p>b) The total no of Civil Servants is 18,705 and total no of pensioners is 10,614.</p> <p>c) The total no of staff on the State Nominal roll is 29,319</p> <p>d) The total of 28,198 BVN data has been linked to the payroll.</p> <p>e) The documents obtained are the one-page report on the payroll, screenshot of samples of civil servants and pensioners from the payroll data base.</p> $\frac{28,198}{29,319} \times 100 = 96.17\%$ <p>The State has linked 96.17 % of the State's Civil Servants and Pensioners' BVN data to the payroll.</p>	Satisfactory	
2	Has the State taken steps to	a) Staff with BVN data are 28,198 and without BVN data	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	identify payroll fraud?	<p>are 1,121.</p> <ul style="list-style-type: none"> b) There was no record of payroll fraud. c) There was no payroll fraud detected during the BVN linkage to payroll, but staff were removed because of retirement and death. d) The payroll figure before the removal of retired workers and pensioners identified from payroll is N2,646,829,381.33 e) The payroll figure after they have been removed is N1,711,686,846.54 f) The source(s) of these information and reference documents obtained are the one-page progress report on payroll and biometric, and the payroll. 		
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget		Previously Achieved in 2018 APA	
DLR 6.2	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		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>AND</p> <p>For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.</p>			
1	<p>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>	<p>a) IVA was able to obtain a schedule of all contracts awarded during the year under assessment.</p> <p>b) The checks done to confirm whether the schedule is indeed complete and comprehensive, and any discrepancies that were identified (in particular, those indicating the schedule may be incomplete) is as follow:</p> <p>Total contract awarded per the schedule provided by the State is not in line with the actual capital expenditure reported in the State AFS. The APA Issue response from the State on the observed variance showed that the AFS reports on Capital Expenditure is for all MDAs' while the reported figure in the Schedule of contract published is an extract for 4 MDAs' as required by the Verification Protocol. The APA Issue response from the State is retained in the assessment file.</p> <p>The State further responded thus: "the biggest problem here is the comparison of Annual Financial Statement with the Awarded Contracts for the year under review. A critical look at the attached Accountant General Report revealed that payment made in the year under review were not just for current contracts as contract payments captured in the Accountant General Report which the IVA claimed were not found in our publication</p>	Unsatisfactory	<p>The state should publish <u>all</u> contract award information online as required under the standards, and in line with thresholds stated within legislation and guidance.</p>

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>are contracts of 2020 or below already published on our portal. Accountant General Report for 1st January'21 to 31st December, 2021 & 1st Quarter of 2022 accommodate both second and final payment of completed contracts of 2020 and below already published e.g. Rehabilitation of 10.7 Okene Township Road published on 07/08/2020 on the portal and others (see attached Accountant General Report)."</p> <p>Furthermore, IVA observed that the links shows a total of 16 contracts awarded in 2021 (presumably up to the date of switchover to the e-procurement system). (screenshots retained.) while the excel document (DLI 6.2-1 COPY OF SCHEDULE OF ALL CONTRACTS AWARDED) shows contracts awarded in 2021 on an MDA by MDA basis. It shows hundreds of contracts, including (on the first worksheet), 52 contracts awarded by the Min of Education alone in the period 06 Jan to 25 May 2021. This indicates the OCDS publication by Kogi State through the link provided is significantly incomplete. Note that the schedule noted with hundreds of contracts is not in the OCDS format and was not seen published online.</p> <p>The State responded thus: "IVA observation on the 52 contracts published by Ministry of Education between January to May, 2021 was grossly incorrect. The said contracts were SMEs Contracts published on our portal in line with SFTAS guideline. Find the link below for confirmation: https://bpp.kg.gov.ng/sme-contracts-2020-to-2021-15-09-21/"</p> <p>IVA has noted the State's response and has reviewed the</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>evidence provided. However, the State did not explain why only 16 contracts were published for FY 2021 on the OCDS portal compared to the list provided by the Accountant General.</p> <ul style="list-style-type: none"> c) The State does not have a threshold amount as defined in the State procurement Law/Manual. However, IVA obtained APA Issue response from the State which stated that the procurement law/Manual does not have threshold for Contract award publication limit. More so, the APA Issue response also stated that the State published all contracts award information on OCDS portal and the web link is https://bpp.kg.gov.ng/kogioc/ d) The list of contracts published online is incomplete 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://bpp.kg.gov.ng/kogioc/ https://eproc.bpp.kg.gov.ng/epps/home.do <ul style="list-style-type: none"> (i) IVA compared what the state published with the sample template provided and there was no difference in content. (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: <ul style="list-style-type: none"> I. Project name, II. Awarding institution, III. Award date, IV. Name of contractor, and 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>V. The contract amount.</p> <p>h) All the items from (g) above were published.</p> <p>i) The web link where data was published: https://eproc.bpp.kg.gov.ng/epps/home.do</p> <p>j) The contract award information published on the state official website is accessible to the public.</p>		
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-Evaluation/e-Awarding?	<p>a) The State has implemented e-procurement in at least four (4) MDAs (including Ministry of Education, Health, Agriculture and Public Works) by 30 June 2022.</p> <p>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.</p> <p>c) A separate report of procurements for all four MDAs for the period 1 January 2022 to 30 June 2022 from the state Accountant General was obtained.</p> <p>d) The go-live date for e-procurement at the 4 MDAs was 27th August 2021, and the evidence obtained to prove the go-live date for each of the five expected minimum functionalities is the web link of the state e-procurement portal where the functionalities would be found and screenshot webpage showing the functionalities.</p> <p>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</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</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>procurement lifecycle was conducted.</p> <p>g) The selected transactions followed the procurement lifecycle.</p> <p>h) No parts of the transaction were conducted outside of the e-procurement system.</p> <p>i) The e-Registration, e-Publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules have been implemented and had transactions processed through them for the period 1 January 2022 to 30 June 2022.</p> <p>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 1 January 2022 to 30 June 2022.</p> <p>k) The evidence obtained for the selected sample transactions is screenshots of the transactions procurement process in the state e-procurement system.</p> <p>In furtherance to the above, based on further review, the IVA noted the following observations:</p> <p>I. The link to published notices on the e-procurement portal yields a blank page with no notices published. (Screenshot retained). This indicates the e-publication/e-notification module is not in use.</p> <p>The State responded thus: "The System is in use. In case the IVA team needs to check the published procurement processes then they have to search through the below Advanced Search URL</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>(https://eproc.bpp.kg.gov.ng/epps/prepareAdvancedSearch.do?type=cftFTS) for all the processes available in 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" page</p> <p>(https://eproc.bpp.kg.gov.ng/epps/viewAllAwardedContracts.do) and then select the "Process Documents" menu option. "</p> <p>II. The weblink for 'Current processes' on the website gives a schedule with one item that shows a bid submission deadline of 20/10/2021. The schedule is otherwise empty. (Screenshot retained).</p> <p>The State responded thus: "It should be noted that the "Current Process" page will always contain only the procurement processes that are under "Bid submission" status. That is, only bids that is still at tendering stage. Once a bid submission deadline has passed, such bids under the e-GP system is not a "current process" any longer. So, the System behaved as configured and there is no issue on that. Hence, it is normal that it is empty if there are no competitions that are currently at 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</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>(https://eproc.bpp.kg.gov.ng/epps/viewCFTSFromFTSACTION.do) for all the processes available in the system. 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" page (https://eproc.bpp.kg.gov.ng/epps/viewAllAwardedContracts.do) and then select the "Process Documents" menu option</p> <p>Beyond this, please note that the Portal's current process displays UBEC/SUBEB 2020 Capital Projects which has 13 Lots. Out of which Lots 2 & 3 were not completed beyond evaluation stage due to large numbers of Sub-Lots in the Lots that interfere with our evaluation process. So, the process is available on the portal. Meanwhile other Lots were successfully evaluated and awarded. Find the attached document labelled "Response on IVA Observation II" for information on /SUBEB 2020 Capital Projects. Even more, it is worth noting that this very project is outside the coverage of SFTAS 2021 APA. You are invited to note that this matter was sufficiently reported to EY and our Service Provider (European Dynamics)."</p> <p>III. The weblink to 'Opened Bids' on the e-procurement portal yields a list of 47 transactions. (Screenshots retained). Out of the 47 opened bids, 22 were noted as awarded on either the 27th or 29th of June 2022, with none awarded on any date earlier in the six month period ending on 30 June 2022. While 13 bids were noted as still at evaluation stage, but with bid submission deadlines of 26 October 2021 (10 months</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>ago as at the time of review). This observation indicates the e-procurement portal was not in use for the required period.</p> <p>The State responded thus: “it should be noted that, <u>the use of the</u> 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. It is therefore misleading, nonfactual and false to conclude that the system was not in use only because contracts were awarded in June. Evidence doesn’t suggest this. Interpreting the verification protocol in this way is also misleading.</p> <p>To this end, please see attached links for various stages of the procurement activities between January and June, 2022 on the system:</p> <ol style="list-style-type: none"> 1. ANNUAL PROCUREMENT PLAN PUBLICATION: https://eproc.bpp.kg.gov.ng/epps/app/viewPublication.do 2. BID NOTICES/PUBLICATION: https://eproc.bpp.kg.gov.ng/epps/viewCFTSFromFTSAction.do 3. BID OPENING: https://eproc.bpp.kg.gov.ng/epps/common/viewOpenedTenders.do 		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>4. CONTRACT AWARDS: https://ePROC.BPP.KG.GOV.NG/EPPS/VIEWALLAWARDEDCONTRACTS.DO</p> <p>IV. The link to 'Awarded contracts' on the e-procurement portal yields a schedule of 28 contracts in total. Of these, all the 22 Contracts dated as awarded in 2022 were awarded on either the 27th or the 29th of June 2022. The other 6 contracts were awarded on the 5th, 8th or 11th of November 2021. No other contract awards were seen on the e-procurement portal for awarded contracts. (Screenshots retained). This indicates the e-procurement system was not in use all through the specified period. The State responded thus: "Based on verification protocols defined, each State is expected to award a minimum of 5 transactions for each MDA which must include at least two of the following categories of expenditure (goods, works or services). In clear terms, Kogi State had met this. In addition, the system was used from Jan to June to achieve this. The protocol defined, doesn't in any way suggest to States, the scheduling of procurement activities which obviously is determined by a lot of factors. Besides procurement activities are basically tied to availability of funds and Governor's approval. So, by implication only projects whose monies were available after securing the approval of the Executive Governor were carried out by the concerned MDAs. This is in line with the Kogi State Public Procurement Law, as procuring entities are not permitted under the law to award contracts without</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		availability of fund. So anything contrary would have been an infraction."		
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.		Previously Achieved in 2018 APA	
DLR 7.2	Quarterly state debt reports 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?	<p>a) 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"> ● Q1 submitted on (7th May 2021) – 37 days, ● Q2 submitted on (11th August 2021) – 42 days ● Q3 submitted on (9th November 2021) - 40 days and ● Q4 submitted on (15th February 2022) - 46 days. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$\frac{37+42+40+46}{4} = \frac{165}{4} = 41.25$ <p>Average = 41.25 days (5.89 weeks)</p> <p>The SDDRs were submitted within an average of 1 month (1 month, 1 week and 2 days)</p>		
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO:</p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and 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>	<ul style="list-style-type: none"> a) IVA has obtained the State Domestic and External Debt Reports (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained. b) IVA has obtained the State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data. Hence it has been compared with the State's Domestic Debt Report. c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State was compared with the State's Audited Financial Statement. d) The debt figures reported in the SDDR were compared with that of the State's Audited Financial Statement. The comparison was made with reference to Note 35 and 36 of the AFS. e) The IVA noted that there were no discrepancies. <ul style="list-style-type: none"> i. SDDR Figure: ₦814,614,401.79 ii. AFS Figure: ₦814,614,401.79 iii. Difference (If any): No differences were noted. f) No actions were taken as discrepancies were not noted. g) IVA has obtained the State Domestic and External Debt Report (SDEDR) from the Federal DMO. The IVA has compared SDEDR with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State. 	N/A	
3	Has the State published online the State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR)	<ul style="list-style-type: none"> a) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published on the State official website. b) The date of publication is 14 December 2021. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	by 31 December 2021?	<p>c) The State's Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published by 31 December 2021</p> <p>The IVA obtained the IT back-end timestamp to confirm the date of online publication.</p> <p>d) The weblink of the publication is https://kogistate.gov.ng/sftas/wp-content/uploads/Kogi-State-DSA-DMS-Report-for-2021_Final.pdf</p>		
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?	<p>IVA reviewed the SDSA -DMSR (and the report from the DMO on its review of the SDSA-DMSR</p> <p>Upon review of the SDSA -DMSR, it included the following:</p> <p>(1) Adequate presentation of medium-term budget forecasts, including:</p> <ul style="list-style-type: none"> (a) Presentation of MTB forecasts in tables with projected annual figures from 2021 to 2024. (b) Description of assumptions underpinning the MTB forecasts from 2021 to 2024: either a table with assumptions OR corresponding explanations in writing (OR both) (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 need to be of adequate quality, and do not contain illogical statements (e.g. negative figures for debt stock; contradictory or illogical statements or arguments, etc.) <p>(2) A detailed and adequate description of the debt portfolio and borrowing options, including:</p> <ul style="list-style-type: none"> (a) Presentation of debt and borrowing projections in the baseline scenario either using a table OR charts (OR both) with projected figures from 2021 to 2030. (b) Description of assumptions underpinning the 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>borrowing options presented: either a table with assumptions OR corresponding explanations in writing (OR both)</p> <ul style="list-style-type: none"> (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 need to be 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.) <p>(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year, which contains the following;</p> <ul style="list-style-type: none"> (a) Presentation of revenue, expenditure, budget balance, and debt information, at least for 2020: either a table OR charts (OR both table and chart(s)) 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 need to be 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.) <p>IVA did a review and comparison between the information</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		(figures) contained in the assessment report of the SDSA-DMSR obtained from the DMO and the SDSA-DMSR obtained from the State Website. No differences were identified There were no areas of disagreement between the DMO's assessment conclusions and that reached by the IVA upon assessment of the SDSA-DMSR		
<i>DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears</i>				
DLR 8.0	<p>Domestic arrears as of end 2020 and end 2021 reported in an online publicly accessible database, with verification process in place.</p> <p>AND</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><u>Basic Target:</u> At least a 5 percent decline or maintain stock below 5 billion naira</p> <p><u>Stretch Target:</u> More than 20 percent decline</p>		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) IVA obtained a copy of the ACF from the State. c) The establishment of the ACF occurred by 30 June 2021	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> - the latest date by which the ACF must be established in order for this result to be achieved. d) The ACF was established on 29 June 2021 which is 6 months before 31 December 2021 year-end, 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.</p> <p>b) The evidence seen upon review that the ACF contains the two stated requirements can be found in Section 2 and Section 3 of the ACF.</p> <p>Section 2 contains the planned actions to settle arrears. The Actions stated is that the State Government shall clear her arrears using funds from any of the following sources: The State's Internally Generated Revenue; Grant from the Federal Government; Borrowing from the Commercial Banks and bonds</p> <p>The ACF also contains an explicit prioritization of expenditure arrears to be settled. These are stated in section 3 of the ACF. The arrears clearance follows two approaches which are: Allocation of available fund among the types of the arrears in proportion to their share of the total outstanding stock of arrears and Allocation of available fund on a particular type of arrears. The priority in terms of settling the arrears were also stated.</p> <p>The ACF was signed and stamped by the State Commissioner of Finance and the State's Accountant General. No supporting documents were provided.</p>	Satisfactory	
3	Has the ACF been published on a State official website?	<p>a) We confirmed that the ACF has been published on the State's official website</p> <p>b) We downloaded a copy of the ACF for validation</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) The weblink of publication of the ACF is https://kogistate.gov.ng/sftas/wp-content/uploads/Kogi-State-2021-Arrears-Clearance-Framework-.pd</p> <p>d) We obtained the IT back-end timestamps as evidence to confirm the date of publication</p>		
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. IVA reviewed the clearance of arrears in the year (i.e. the payments made to clear arrears), and confirmed that they were cleared in accordance with the prioritization methodology and other criteria stated in the ACF. From the tests, the contractors' arrears, salary arrears and pension and gratuity arrears were cleared based on the prioritization methodology in the ACF.	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State has established an Internal Domestic Arrears Database. It is maintained as an excel sheet showing the arrears owed. IVA obtained the excel sheet and retained it in the assessment file.</p> <p>b) We confirmed that the Internal Domestic Arrears Database includes the following:</p> <ul style="list-style-type: none"> a. The aggregate and individual amounts of contractors' arrears. b. The aggregate amount of pension and gratuity arrears. c. The aggregate amount of salary arrears and other staff claims. <p>IVA noted that the list of contractors containing the names of the contractors, the amount due at the end-of-year, the nature of the goods and services procured that generated the claim, the amount cleared and the total domestic arrears stock at the end of the year was published on the State's website.</p> <p>c) We confirmed that there is a verification process in place for the arrears in the database</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>d) We confirmed through the evidence provided by the State that the State has conducted verification of arrears balances.</p> <p>e) We confirmed tests to ascertain the accuracy of the figure in the internal domestic arrears database. The tests performed were as follows: IVA crosschecked the figures stated in the internal domestic arrears database with the figures stated in the Audited Financial Statements to see if they match. IVA also obtained supporting documents such as payroll records, an excel sheet with the list of all contractors and their arrears payments (below and above 20 million), an excel sheet with the breakdown for salary and pension arrears as well as an excel sheet with the breakdown for salary/personnel arrears. IVA did a recalculation on excel to ensure it was summed up accurately and then verified the payments made based on the payroll records to ensure it was actually cleared during the year. IVA noted that the figures were accurate.</p> <p>f) The State submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)</p>		
6 Has the State published online elements of the 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?	<p>a) We confirmed that the State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2020 and 2021.</p> <p>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.</p> <p>c) We confirmed that the state website which contains the online publicly-accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online. Upon receipt of the complaint and 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> <p>However, IVA noted that the feedback did not contain an option for attaching supportive evidence of contractor's claims. The feedback given based on the tests are retained in the assessment file.</p> <ul style="list-style-type: none"> d) We confirmed that the online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State. e) We performed a test of the facility for contractors with arrears (creditors) to report any omissions to the State. The IVA got feedback from the State as follows: "Your mail on the above is hereby acknowledged". The contractors' details are being compiled and a copy will be forwarded to you as soon as it is ready. f) No omissions were reported by contractors during the year. Hence the IVA did not obtain records from the state on omissions reported by contractors. g) There were no omissions reported by contractors hence IVA could not confirm if the contractor arrears were found to be valid and subsequently included in the internal domestic arrears database. h) The weblink to the online publicly accessible arrears database: https://kogistate.gov.ng/sftas/wp-content/uploads/DOMESTIC-ARREARS-DATABASE-FOR-2021.pdf https://kogistate.gov.ng/sftas/arrears-clearance-framework/ <p>The internal domestic arrears database was established</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																												
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 arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	<p>The online publication contains</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) There were no other types on domestic arrears</p> <p>The State published a list of contractors owed ₦20m in arrears and above. https://kogistate.gov.ng/sftas/arrears-clearance-framework/</p>	Satisfactory																													
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>Basic target: At least a 5 percent decline or maintain stock below 5 billion naira Stretch target: More than 20 percent decline</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>468,221,821.56</td> <td>111,680,614.00</td> <td>319.3</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>289,068,601.73</td> <td>491,434,976.07</td> <td>41.2</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>57,323,978.50</td> <td>131,874,099.00</td> <td>56.5</td> </tr> <tr> <td>Judgment Debt</td> <td>Nil</td> <td>Nil</td> <td></td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td>Nil</td> <td>Nil</td> <td></td> </tr> <tr> <td>Total Domestic Arrears</td> <td>814,614,401.79</td> <td>734,989,689.07</td> <td>10.83</td> </tr> </tbody> </table> <p>a. We obtained the Domestic arrears figure from the State</p>	Aggregate Amount of:	2021 ₦	2020 ₦	% Diff.	Contractors Arrears	468,221,821.56	111,680,614.00	319.3	Pension and Gratuity arrears	289,068,601.73	491,434,976.07	41.2	Salary arrears and Staff claims	57,323,978.50	131,874,099.00	56.5	Judgment Debt	Nil	Nil		Other types of domestic expenditure arrears	Nil	Nil		Total Domestic Arrears	814,614,401.79	734,989,689.07	10.83	Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.</i></p>	<p>Internal Domestic Arrears (SIDA) database, and confirmed it was the same as the balances stated within the SDDR and the AFS for 2021. The figures on the AFS the figures used were obtained).</p> $\frac{\text{₦}734,989,689.07 - \text{₦}814,614,401.79}{\text{₦}734,989,689.07} \times 100$ $= 10.83\%$ <p>The percentage increase is 10.83% (The domestic arrears increased in 2021 as compared to 2020)</p> <p>IVA noted that the State's total debt stock at the end of 2021 is ₦814,614,401.79 which is less than 5 billion. Hence the State met the Basic Target although their domestic debt increased by 10.83%</p> <p>Source: State internal domestic expenditure arrears database</p>		
DLI 9: Improved Debt Sustainability				
DLR 9.0	<p>Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021</p> <p>AND</p> <p>Total debt stock at end of December 2021 as a share of total revenue for FY 2021 meets target:</p> <ul style="list-style-type: none"> -Basic target: < 120% -Stretch target: < 95% 		Achieved (Basic Target Met)	
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31st December 2021) of the year of assessment</p>	<p>“Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021”.</p> <p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this</p>	Satisfactory (Basic Target Met)	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																						
<p>to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2021)?</p> <p>-Basic target:< [120%] -Stretch target: < [95%]</p> <p>(ii) Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021.</p>	<p>comparison.</p> <p>Total Public Debt*</p> <table border="1" data-bbox="677 274 1406 515"> <thead> <tr> <th></th> <th>Financial Statements (₦)</th> <th>DMO/ SDEDR Figures (₦)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>73,970,096,434</td> <td>77,129,740,716.56</td> </tr> <tr> <td>Total External Debts</td> <td>23,122,155,898</td> <td>23,122,155,896.20</td> </tr> <tr> <td>Total Public Debts</td> <td>97,092,252,332</td> <td>100,251,896,612.75</td> </tr> </tbody> </table> <p>Total Annual Revenue</p> <table border="1" data-bbox="677 584 1290 740"> <tbody> <tr> <td>2021 Adjusted IGR (see DLI 4.2)</td> <td>23,405,613,863</td> </tr> <tr> <td>Gross FAAC Allocation**</td> <td>66,874,098,912</td> </tr> <tr> <td>Grants</td> <td>2,409,661,900</td> </tr> <tr> <td>Other Revenues</td> <td>26,017,678</td> </tr> <tr> <td>Total Revenue</td> <td>92,715,392,353</td> </tr> </tbody> </table> <p>a. IVA is yet to obtain the State Domestic and External Debt Report (SDEDR) from the Federal DMO.</p> <p>b. We have computed the Total Debts Stock/Revenue percentage for the 2021 year, as follows:</p> $\frac{\text{₦}100,251,896,612.75}{\text{₦}92,715,392,353} \times 100$ $= 108\%$ <p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:</p> $\frac{\text{₦}8,716,105,524.00}{\text{₦}66,874,098,912.00} \times 100$ $= 13.0\%$ <p>c. IVA has obtained the Federal DMO State Domestic and External Debt Report (SDEDR). The Debt Stock stated in the Audited Financial Statements, is ₦97,092,252,332.00 that is the Domestic Debt is ₦73,970,096,434.05 (Note 37, page 62) and the External Debt ₦23,122,155,897.84,</p>		Financial Statements (₦)	DMO/ SDEDR Figures (₦)	Total Domestic Debts	73,970,096,434	77,129,740,716.56	Total External Debts	23,122,155,898	23,122,155,896.20	Total Public Debts	97,092,252,332	100,251,896,612.75	2021 Adjusted IGR (see DLI 4.2)	23,405,613,863	Gross FAAC Allocation**	66,874,098,912	Grants	2,409,661,900	Other Revenues	26,017,678	Total Revenue	92,715,392,353		
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Sources:</p> <ul style="list-style-type: none"> i. For Total Revenue 2021 Audited Financial Statement, Page 9 ii. For Total Public Debt from DMO* as at December 31, 2021 iii. NBS/OAGF (FAAC) <p>*Table 3(i) below holds a breakdown of the Total Debt.</p> <p>** Refer to the FAAC table on DLI9</p>		

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

S/N	KOGI STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	21,955,277,617.69
2	BAIL OUT (SALARIES) (SOURCE CBN)	31,109,173,709.04
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	734,343,561.51
4	EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,815,582,615.62
5	STATE BONDS	4,206,245,321.88
6	COMMERCIAL BANK LOANS	1,062,181,550.30
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	1,600,843,857.55
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	-
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	-
11	HEALTHCARE DEDUCTIONS	1,978,143,761.53
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)	809,802,782.31
17	JUDGEMENT DEBTS	-

S/N	KOGI STATE	2021 - AMOUNT (₦)
18	GOVT - GOVT DEBTS	-
19	CONTRACTORS' ARREARS	468,221,821.56
20	PENSION AND GRATUITY ARREARS	289,068,601.73
21	SALARY ARREARS AND OTHER CLAIMS	57,323,978.50
22	OTHER DEBTS	-
	TOTAL DOMESTIC DEBT (TDD)	77,129,740,716.56
	TOTAL EXTERNAL DEBT (TED)	23,122,155,896.20
	TOTAL PUBLIC DEBT (TED+TDD)	100,251,896,612.75

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

ITEM	N
Item	2021
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	66,874,098,912
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	66,874,098,912
1.1.1 Gross statutory allocation	66,874,098,912
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	
1.2 VAT	
2. Internally Generated Revenues (IGR) - Adjusted	23,405,613,863
3. Grants (internal and external)	2,409,661,900
4B. Total Other Revenues reported in AFS without adjustment	26,017,678
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)	92,715,392,353

4. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p>DLR 1.2</p> <p>IVA OBSERVATION ON DLR 1.2:</p> <p><i>Discrepancy between the amount of the Capital Expenditure in the Statement of Cash-flow and Actual Capital Expenditure in the Statement of Comparison of Budget to Actual for the period.</i></p> <p>OUR RESPONSE:</p> <p>The Actual Capital Expenditure for the year 2021 is <u>₦27,783.364,874.00</u> (See the REVISED 2021 FS).</p> <p>This amount is equally reported on;</p> <ul style="list-style-type: none"> vi. Page 121, Schedule of Capital Expenditure for the year 2021 as shown in the Revised Financial Statements, vii. Page 9, Statement of Comparison of Budget to Actual, viii. Page 9, Six Year Summary (Trend Analysis) of Budget to Actual, and ix. Page 10, Revised Consolidated Statement of Cash-flow x. Page 80 NOTE 32 - Schedule to PPE <p>NOTE: The discrepancy observed in the PUBLISHED Cash-flow Statement when compared to other Statements, Schedules and Notes was due to FORMULA LINKAGE ERROR.</p> <p>Therefore, you are required to acknowledge the amount as in revised Cash-flow Statement in the AFS herewith attached.</p>	<p>The State did not attach the Revised 2021 AFS, neither was a weblink provided. IVA could not find evidence of a Revised 2021 Audited Financial Statement on the state's official website.</p>
2	<p>DLR 2.2</p> <p>2. IVA OBSERVATION ON DLR 2.2</p> <p><i>Provision Audit finding in the CAR and a copy of the Audit Report for 2020 Audit Financial Statements. *** We are waiting for the soft copy of Auditor General's Report on 2020 AFS from AuG Audit findings on 2020 CAR.</i></p>	<p>IVA reviewed the State's submission and confirmed that the extract of Audit Queries from the CAR do not reflect the findings in the Annual Audit Report for 2020. E.g. the number of queries mentioned do not exist and some of the nature of queries could not be found in the Annual Audit Report</p> <p>Therefore the IVA considers it unsatisfactory.</p>

S/N	State Response to the draft report						IVA Follow-up, response, treatment						
	<table border="1"> <tr> <td>State</td><td>Kogi</td></tr> <tr> <td>Year</td><td>2020</td></tr> <tr> <td>Budget Title</td><td>BUDGET OF PROSPERITY</td></tr> </table>						State	Kogi	Year	2020	Budget Title	BUDGET OF PROSPERITY	
State	Kogi												
Year	2020												
Budget Title	BUDGET OF PROSPERITY												
Top Ten Audit Queries													
Details of Expenditure	No. of Queries	Nature of Queries	Amount Queried	Cash Expend	Percentage (%)								
Ministry of Works and Housing	36	Capital expenditure above approved budgetary provision	130,000,000	2,202,443,383	5.9%								
Ministry of Education, Science and Technology	24	Expenditure without payment vouchers	41,946,227	41,946,227	100.0%								
Ministry of Health	33	Revenue generated not captured in the cashbook	325,000	1,197,500	27.1%								
Ministry of Agriculture	45	Payment made for services not rendered	70,000,000	112,000,000	62.5%								
Ministry of Water Resources	22	Abandoned Water Project	56,555,770	358,423,146	15.8%								
Kogi State Sport Council	15	Revenue generation below budgetary provision	195,000	3,151,930	6.2%								
Town Planning and Development Board	17	Partial remittance of revenue	3,768,846	8,398,836	44.9%								
Community and Social Development Agency	18	Unretired advances	2,055,655	4,233,975	48.6%								
Kogi State Pension Commission	20	Gratuity paid without ID card of payee	226,476,947	226,476,947	100.0%								
Primary Health Care Development Agency	10	Payment vouchers not raised before payment	7,709,000	7,709,000	100.0%								
Total Number of Queries	230		531,323,444	2,958,271,944	18.0%								
***2020 Revised CAR and Auditor General Report for 2020 AFS are also attached													
3	<p>DLR 4.2</p> <p>/VA OBSERVATION ON DLR 4.2: Provision of evidence that the accrued IGR is genuine.</p> <p>OUR RESPONSE:</p> <p>The evidence of Accrued IGR is herewith attached, Please.</p> <p>***** (NELMCO 2nd Batch request)</p>						<p>IVA has noted the State's response. However the following were noted:</p> <ul style="list-style-type: none"> only the evidence of accrued IGR of N1.2bn from NELMCO was attached. The Letter was not signed and there was no evidence that it was delivered to intended recipient. The evidence of the accrued IGR of N5.4bn from Dangote was not provided. There was no evidence that the receivables 						

S/N	State Response to the draft report	IVA Follow-up, response, treatment
		were subsequently settled. Consequently, IVA considers this unsatisfactory.
4.	<p>Find below DLI.6.2 APA Report and our responses:</p> <p>Issue Number I.- <i>The link to published notices on the e-procurement portal yields a blank page with no notices published. (Screenshot retained). This indicates the e-publication/e-notification module is not in use</i></p> <p>RESPONSE: This assertion is misleading and not correct. The System is in use. In case the IVA team needs to check the published procurement processes then they have to search through the below Advanced Search URL (https://eproc.bpp.kg.gov.ng/epps/prepareAdvancedSearch.do?type=cftFTS) for all the processes available in 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" page (https://eproc.bpp.kg.gov.ng/epps/viewAllAwardedContracts.do) and then select the "Process Documents" menu option.</p> <p>Issue Number II- The weblink for 'Current processes' on the website gives a schedule with one item that shows a bid submission deadline of 20/10/2021. The schedule is otherwise empty.</p> <p>RESPONSE: It should be noted that the "Current Process" page will always contain only the procurement processes that are under "Bid submission" status. That is, only bids that is still at tendering stage. Once a bid submission deadline has passed, such bids under the e-GP system is not a "current process" any longer. So, the System behaved as configured and there is no issue on that. Hence, it is normal that it is empty if there are no competitions that are currently at 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://eproc.bpp.kg.gov.ng/epps/viewCFTSFromFTSAction.do) for all the processes available in the system. 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" page (https://eproc.bpp.kg.gov.ng/epps/viewAllAwardedContracts.do) and then select the "Process Documents" menu option</p> <p>Beyond this, please note that the Portal's current process displays UBEC/SUBEB 2020 Capital Projects which has 13 Lots. Out of which Lots 2 & 3 were not completed beyond evaluation stage due to large numbers of Sub-Lots in the Lots that interfere with our evaluation process. So, the process is available on the portal. Meanwhile other Lots were successfully evaluated and awarded. Find the attached document labelled "Response on IVA Observation II" for information on /SUBEB 2020 Capital Projects. Even more, it is worth noting that this very project is outside the coverage of SFTAS 2021 APA. You are invited to note that this matter was sufficiently reported to EY and our</p>	<p>IVA has noted the State's response and has reviewed the evidence provided. However, the State did not explain why only 16 contracts were published for FY 2021 on the OCDS portal compared to the list provided by the Accountant General.</p> <p>Therefore, the findings remain valid.</p>

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>Service Provider (European Dynamics).</p> <p>Issue Number III- <i>The weblink to 'Opened Bids' on the e-procurement portal yields a list of 47 transactions. (Screenshot retained). Out of the 47 opened bids, 22 were noted as awarded on either the 27th or 29th of June 2022, with none awarded on any date earlier in the six month period ending on 30 June 2022. While 13 bids were noted as still at evaluation stage, but with bid submission deadlines of 26 October 2021 (10 months ago as at the time of review). This observation indicates the e-procurement portal was not in use for the required period.</i></p> <p>RESPONSE – it should be noted that, <u>the use of the</u> 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. It is therefore misleading, nonfactual and false to conclude that the system was not in use only because contracts were awarded in June. Evidence doesn't suggest this. Interpreting the verification protocol in this way is also misleading.</p> <p>To this end, please see attached links for various stages of the procurement activities between January and June, 2022 on the system</p> <p>5. ANNUAL PROCUREMENT PLAN PUBLICATION: https://eproc.bpp.kg.gov.ng/epps/app/viewPublication.do This activity happened in from January to February, 2022. It should be noted that, before an Annual Procurement Plan is published, various PDEs/MDAs would have entered the activities through the system and obtained approval at the MDA level and at the PPA level before being published. Further evidence of use is even more obvious from the most recent dates shown under publication of the Plan, which means the Procurement Plan had undergone several updates till September, 2022, as it should be in normal procurement practice. Anything contrary should even be queried.</p> <p>6. BID NOTICES/PUBLICATION: https://eproc.bpp.kg.gov.ng/epps/viewCFTSFromFTSAction.do NOTE: Only procurement transactions conducted through Open Competitive Bidding are assessed through the link provided for Bid Notices/Publication above. For transactions conducted through other procedures, kindly take the following steps to view their bid notification/publication details. a. Logon to the Kogi State e-GP through: https://eproc.bpp.kg.gov.ng/epps/home.do b. Click on "Awarded Contracts" in the information area, and c. Click on the contract title of interest to view its process details including Bid Notification/Publication Date, evaluation period e.t.c</p>	

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>7. BID OPENING: https://eproc.bpp.kg.gov.ng/epps/common/viewOpenedTenders.do About 181 transactions have passed through the system with consistent use spanning between sept 2021 and June, 2022.</p> <p>8. CONTRACT AWARDS: https://eproc.bpp.kg.gov.ng/epps/viewAllAwardedContracts.do In all, the system had always been in use with various transactions spanning over several months of the SFTAS minimum timelines for its usage.</p> <p><i>Issue Number IV - The link to 'Awarded contracts' on the e-procurement portal yields a schedule of 28 contracts in total. Of these, all the 22 Contracts dated as awarded in 2022 were awarded on either the 27th or the 29th of June 2022. The other 6 contracts were awarded on the 5th, 8th or 11th of November 2021. No other contract awards were seen on the e-procurement portal for awarded contracts. (Screenshots retained). This indicates the e-procurement system was not in use all through the specified period.</i></p> <p>RESPONSE – Based on verification protocols defined, each State is expected to award a minimum of 5 transactions for each MDA which must include at least two of the following categories of expenditure (goods, works or services). In clear terms, Kogi State had met this. In addition, the system was used from Jan to June to achieve this. The protocol defined, doesn't in any way suggest to States, the scheduling of procurement activities which obviously is determined by a lot of factors. Besides procurement activities are basically tied to availability of funds and Governor's approval. So, by implication only projects whose monies were available after securing the approval of the Executive Governor were carried out by the concerned MDAs. This is in line with the Kogi State Public Procurement Law, as procuring entities are not permitted under the law to award contracts without availability of fund. So anything contrary would have been an infraction</p> <p><i>Secondly, the IVA Team established in the draft report that the list of contracts published online is incomplete.</i> RESPONSE: We strongly believed that the biggest problem here is the comparison of Annual Financial Statement with the Awarded Contracts for the year under review. A critical look at the attached Accountant General Report revealed that payment made in the year under review were not just for current contracts as contract payments captured in the Accountant General Report which the IVA claimed were not found in our publication are contracts of 2020 or below already published on our portal. Accountant General Report for 1st January'21 to 31st December, 2021 & 1st Quarter of 2022 accommodate both second and final payment of completed contracts of 2020 and below already published e.g. Rehabilitation of 10.7 Okene Township Road published on 07/08/2020 on the portal and others (see attached Accountant General Report).</p> <p><i>Finally, on the issue of 52 contracts awarded by the Min of Education in the period 06 Jan to 25 May 2021. That the schedule noted with hundreds of contracts is not in the OCDS format and was not seen published online.</i></p>	

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>RESPONSE: IVA observation on the 52 contracts published by Ministry of Education between January to May, 2021 was grossly incorrect. The said contracts were SMEs Contracts published on our portal in line with SFTAS guideline. Find the link below for confirmation:</p> <p>https://bpp.kg.gov.ng/sme-contracts-2020-to-2021-15-09-21/ and https://bpp.kg.gov.ng/sme-contracts-2020-to-2021-15-09-21/</p>	
2		
3		
4		

APPENDIX 1 (TSA Reversals)

Note 3: TSA (SOFTCOPY)	INFLOW	OUTFLOW
JAN -7/5/2021	20,645,026,732.00	20,559,889,151.00
7/5/2021-31/12/2021	45,025,157,633.95	46,288,918,115.00
TOTAL	<u>65,670,184,365.95</u>	<u>66,848,807,266.00</u>
LESS: REVERSALS IN TSA BANK STATEMENT		
APR 27, DISBURSEMENT CREDIT	3,000,000,000.00	
APR 28, REVERSALS		3,000,000,000.00
APR 30, LOAN REPAYMENT		105,799,018.98
APR 30, LOAN REPAYMENT REVERSAL	105,799,018.98	
SEPT 2, ACCOUNTANT	2,996,000.00	
SEPT 2, REVERSAL		2,996,000.00
NOV 9, KOGI STATE SRA		2,000,000.00
NOV 10, REVERSAL	2,000,000.00	
TOTAL	3,110,795,018.98	3,110,795,018.98

APPENDIX 2

OPERATING INCOME		81,610,122,641.00
FINANCING INCOME		9,475,794,734.00
		4,098,414,821.00
	95,184,332,196.00	95,184,332,196.00
OUTFLOWS:		
OPERATING		73,725,760,610.00
INVESTING		48,444,145,297.00
FINANCING (NOTE 2)	7,313,006,850.00	129,482,912,757.00
NOTE 2: Financing outflow		
REPAYMENT OF BORROWING ON SHORT TERM LOANS		3,228,295,726.00
REPAYMENT OF BORROWING ON LONG TERM LOANS		4,084,711,124.00
TOTAL		7,313,006,850.00