



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

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

**ZAMFARA 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 Zamfara 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 Zamfara State and shows areas where the State was able to achieve results. In total, Zamfara State achieved 9 (Nine) DLRs out of 15 DLRs applicable to the 2021 APA of which 2 (Two) DLRs were achieved in the 2020 APA.

**Table 1: Assessment Results**

<b>Key:</b>	<b>Achieved</b>	<b>Not Achieved</b>	<b>Previously Achieved</b>
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<b>DLI 1:</b> Improved financial reporting and budget reliability	DLR 1.1: FY21 quarterly budget implementation reports for Q1, Q2, Q3 and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY21 deviation for total approved original budget expenditure is < 15%		Budget deviation was 35%
<b>DLI 2:</b> Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2022 budget and citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms.		The State did not publish an adequate Citizens' Budget.
	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.		
<b>DLI 3:</b> Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 80 percent of state government finances.		<ul style="list-style-type: none"> <li>The State did not have a functional TSA</li> <li>The State TSA did not cover a minimum of 80% of the Government finances.</li> </ul>
<b>DLI 4:</b> Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		The schedules of sources and rates applicable for the schedules in the Principal law of 2020 and the amendment law of 2021 are not entirely clear
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target -Basic target: 20%-39% -Stretch target: 40% or more	Stretch Target Met	
<b>DLI 5:</b> 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 addressed		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency; and 3) Cover all MDAs receiving funds from the state budget	2020	
	6.2 No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs <b>AND</b> For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available		
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.	2020	
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021 AND Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021.		
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2020 and end 2021 reported in an online publicly-accessible database, with verification process in place. <b>AND</b> Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.  <b>Basic target:</b> At least a 5 percent decline or maintain stock below 5 billion naira  <b>Stretch target:</b> More than 20 percent decline		The percentage decline in the verified stock of domestic arrears was less than 5% [or the stock of arrears was above 5 billion]
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021 <b>AND</b> Total debt stock at end of December 2021 as a share of total revenue for FY2021 meets target: Basic target: < 120%, Stretch target: < 95%.		Total Debt Stock to Revenue is ≥ 120% by end December 2021

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

1. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
2. DLR 2.1: States should publish online the citizens budget based on the approved budget and should be accompanied.
3. DLR 3.0: Develop a functional State-level TSA where all Government revenues (IGRs and FAAC) are credited into before expenditure. Formally approve and implement a cash management strategy. Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.
4. DLR 4.1: Review for amendments, the Revenue Law (alongside with the revenue code). The revenue law should clearly state the revenues' sources (including the Local Governments sources). Collection of revenue should be made into accounts nominated by the SBIRS.
5. DLR 8: Domestic arrears are cleared year on year to achieve total arrears of less than N5bn or a year-on-year decline of at least 20%

6. DLR 9: Strengthened debt sustainability by achieving the levels of debt indicators that are below the thresholds established for this DLR.

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

## 3. Introduction

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### 3.1 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 engaged the services of experts in Taxation, and Procurement laws to review the legislation in place at each State.

### 3.2 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 (11/07/2022 and 15/07/2022) with a team of [6 team members] 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.

## 4. Assessment Results

### 4.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>DLI 1: Improved Financial Reporting and Budgeting Reliability</b>				
<b>DLR 1.1</b>	<b>Financial Year [2021] quarterly budget implementation reports published on average within [4 weeks] of quarter end to enable timely budget management</b>		<b>Achieved</b>	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on</p> <p>Q1- 2021 (<a href="https://accountantgeneral.zm.gov.ng/programs/sftas/budget">https://accountantgeneral.zm.gov.ng/programs/sftas/budget</a>)</p> <p>Q2- 2021 (<a href="https://accountantgeneral.zm.gov.ng/programs/sftas/budget">https://accountantgeneral.zm.gov.ng/programs/sftas/budget</a>)</p> <p>Q3- 2021 (<a href="https://accountantgeneral.zm.gov.ng/programs/sftas/budget">https://accountantgeneral.zm.gov.ng/programs/sftas/budget</a>)</p> <p>Q4- 2021 (<a href="https://accountantgeneral.zm.gov.ng/programs/sftas/budget">https://accountantgeneral.zm.gov.ng/programs/sftas/budget</a>)</p> <p>The State website was accessed on 13/07/2022.</p> <p>Dates of online publication are as follows:</p> <ul style="list-style-type: none"> <li>● Q1 – (27/04/2021) - 3.85 weeks (27) days</li> <li>● Q2 – (25/07/2021) - 3.57 weeks (25) days</li> <li>● Q3 – (27/10/2021) - 3.85 weeks (27) days</li> <li>● Q4 – (28/01/2022) - 4 weeks (28) days</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Average days (3weeks) for the online publication was computed based on the last 4 quarters, as below:</p> $\frac{27+25+27+28}{4}$ <p>Average = 26.75 days (3.83 weeks)</p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2021, obtained and retained evidence of the timestamp of the publications.</p>		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each MDA as well as the actual cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	<p>a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures.</p> <p>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.</p> <p>c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations.</p> <p>d) The State has a Revised Budget.</p> <p>e) The Budget Implementation Report for 4<sup>th</sup> quarter showed both the approved original budget AND /revised budgets. While Q1, Q2 and Q3 showed only the approved original budget.</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>	Satisfactory	
3	Does the report state the actual expenditures for the quarter attributed to each MDA and	The IVA reviewed the State's Budget Performance/Implementation Reports and confirmed that the report included the actual expenditures for each quarter	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	each expenditure classification as well as the actual cumulative expenditures for the year to date?	attributed to each MDA, each expenditure classification, as well as the actual cumulative expenditures for the year to date.														
4	Does the report state balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	The State's Budget Performance Reports showed the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which includes debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classification.	Satisfactory													
<b>DLR 1.2</b>	<b>FY [2021] deviation from total approved budget expenditure is less than 15%</b>		<b>Not Achieved</b>													
1	Has the State computed the difference between the Original/Approved total budgeted expenditure for the fiscal/calendar year 2021 and the actual total expenditure in the fiscal/calendar year 2021, divided by the Original approved total budgeted expenditure and expressed in positive percentage terms?	<p>The State computed the budget deviation for 2021 to be 35%</p> <p>The IVA computed the budget deviation for 2021 APA year. See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Approved Budget (₦)</th> <th>Actual Outturn (₦)</th> </tr> </thead> <tbody> <tr> <td>Capital Exp. (Pages 4 &amp; 20-21)</td> <td>79,667,000,000</td> <td>20,244,673,276.06</td> </tr> <tr> <td>Rec. Exp. (Pages 4 &amp; 20-21)</td> <td>63,112,251,000</td> <td>72,002,389,557.86</td> </tr> <tr> <td><b>Total</b></td> <td><b>142,779,251,000</b></td> <td><b>92,247,062,833.92</b></td> </tr> </tbody> </table>		Total Approved Budget (₦)	Actual Outturn (₦)	Capital Exp. (Pages 4 & 20-21)	79,667,000,000	20,244,673,276.06	Rec. Exp. (Pages 4 & 20-21)	63,112,251,000	72,002,389,557.86	<b>Total</b>	<b>142,779,251,000</b>	<b>92,247,062,833.92</b>	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	Total Approved Budget (₦)	Actual Outturn (₦)														
Capital Exp. (Pages 4 & 20-21)	79,667,000,000	20,244,673,276.06														
Rec. Exp. (Pages 4 & 20-21)	63,112,251,000	72,002,389,557.86														
<b>Total</b>	<b>142,779,251,000</b>	<b>92,247,062,833.92</b>														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Is the expenditure outturn deviation computed less than 15%	$\frac{\text{₦}142,779,251,000 - \text{₦}92,247,062,833.92}{\text{₦}142,799,251,000} \times 100 = 35\%$ <p>The budget performance deviation is 35%</p> <p><b>Source:</b> 2021 Audited Financial Statement Pages 20-21 and Appropriation Law Page 4.</p> <p>The approved annual budget figures shown in the AFS differ from the signed approved original budget/appropriation. While the budgeted expenditure in the AFS is ₦180,399,301,225.81, the budgeted expenditure figure in the original budget is ₦142,779,251,000. An APA issue report was raised for the State to explain the difference. The response is being awaited.</p>		
<b>DLI 2: Increased Openness and Citizens' Engagement in the Budget Process</b>				
<b>DLR 2.1</b>	<b>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget AND Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms</b>		<b>Not Achieved</b>	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	<p>a) Some LGAs were in attendance and are as follows: Zurmi, Maru, Birin, Gusau, Gummi, Bakura, Bungudu, Maradun, Bakura.</p> <p>b) The names of the representatives in attendance are:</p> <p>i. Citizens group: Abdullahi Ibrahim D. – (Grains Sellers Association, Gusau), Hussaini Hassan – (Damba Loan Vendors Association), Imrana Aliyu – (Gusau</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Cooperative Society), Khadija Ibrahim Yako – (Food Vendors Association).</p> <p>ii. ii) The CSOs representatives are: Nasiru Usman Biyabiki – (Zamfara State Social Protection Platform), Fauzudeen Iqraa – (Zamtraca), Jamila Abdullahi – (Malaria Consortium)</p> <p>iii. The CBOs representatives are: Umar Abdulkadir Sadiq – (Talata Group), Kabiru Garba – (Namoda Community Organization), Aliyu Abdussalam – (Badarawa Youths Organization), Aliyu Sani Damda – (Movement For Damba).</p> <p>c) IVA’s conclusions were drawn from minutes of the meeting, attendance list and pictures.</p> <p>d) The date the public consultation was held is 18th November 2021 at Tula Event Centre, Bye Pass Road Gusau.</p> <p>e) A total number of 10 attendees were called to confirm their attendance at the public consultation.</p> <p>f) The budget was drafted 30/11/2021. A copy of the Governor’s speech on budget presentation has been obtained as evidence.</p> <p>g) The public consultation was held on 18/11/2021 while the budget was drafted on 30/11/2021. The consultation comes first.</p> <p>h) The date of online publication of the proposed budget ahead of the public consultation was 13th November, 2021.</p> <p>i) The proposed budget was published before the deadline of 31 January 2022.</p> <p>j) The web link for the publication of the proposed budget (<a href="https://accountantgeneral.zm.gov.ng/programs/sftas/budget/130-zamfara-state-budget-2022-zero-draft.html">https://accountantgeneral.zm.gov.ng/programs/sftas/budget/130-zamfara-state-budget-2022-zero-draft.html</a>). This was accessed on (12/07/2022).</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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) The CSO representative in attendance is Nasiru Usman B (Zamfara State Social Protection Platform). A copy of the signed minutes has been retained on file.</p> <p>b) The State held 3 separate Citizen input/town hall zonal meetings which are “Zamfara State Citizens’ Inputs/Town Hall Meeting “Ministry of Budget and Economic Planning in collaboration with UNICEF organized a gathering on Citizens’ Inputs/Town Hall Meeting held on 18th November 2021 at Taula Event Centre, Bye Pass Road Gusau (Central Zone” Report on the Zamfara State Northern Senatorial Zone Town Hall Meeting held in Kaura Namoda Local Government Secretariat Conference Hall on 09<sup>th</sup> December 2021 and Report on the Zamfara State Western Senatorial Zone Town Hall Meeting held in Yahayya Abdulkarem Auditorium, Audu Gusau Polytechnic Talata Mafara on 11<sup>th</sup> December 2021..</p> <p>c) The CSO representative in attendance is Nasiru Usman B (Zamfara State Social Protection Platform).</p> <p>d) The weblink is <a href="https://www.ministryofbudget.zamfara.gov.ng/read_downloads.php">https://www.ministryofbudget.zamfara.gov.ng/read_downloads.php</a> and date of publications were (28/12/2021, 24/12/2021 and 24/12/2021). This was accessed on (12/07/2022).</p> <p>e) The minutes were sign-posted on the website.</p>	Satisfactory	
3	Has the State published online, on the State website(s) a Citizens Budget based on the Approved Budget (2021) not later than 30 April 2021?	<p>a) The Citizens Budget based on the Approved Budget (2021) was published on 30/04/2021 before the due date via <a href="https://accountantgeneral.zm.gov.ng/programs/sftas/budget/89-zamfara-state-2021-citizen-budget.html">https://accountantgeneral.zm.gov.ng/programs/sftas/budget/89-zamfara-state-2021-citizen-budget.html</a> accessed on 12/07/2022.</p> <p>b) A comparison of the Approved Budget 2021 with the Citizens Budget was done, and no significant area of discrepancy was identified.</p>	Unsatisfactory	The State should ensure it publishes Citizens Budget based on the Approved Budget.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) The Citizen’s Budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template no discrepancies exist among the following:</p> <ul style="list-style-type: none"> <li>i. Simple explanation of the annual approved budget/citizens budget. (Pages –None)</li> <li>ii. The sources of revenues. (Page 17)</li> <li>iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. (Pages 18 – 19)</li> <li>iv. Total expenditure by economic classifications. (Pages 12-13 &amp; 15)</li> <li>v. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. (Page 8-11)</li> <li>vi. Disclosure of Budget deficit (if any) and how it will be financed. (Page 11)</li> <li>vii. Sectoral Allocation (by MDAs). (Pages 19)</li> <li>viii. Top Projects to be financed (at least 5). – This was not included in the Citizens Budget</li> </ul> <p>d) The minimum required budget information outlined above has been included.</p> <p>e) A different format was not used.</p>		
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	<p>a) The Citizens Budget includes an explanation of the key components in the Approved FY21 Budget.</p> <p>We confirmed that the approved FY21 state budget was summarized in a comprehensible manner to the Citizens in the Citizens Budget.</p>	Satisfactory	
5	Does the State website have functional feedback and response online mechanisms?	<p>a) The State has established a functional feedback and response online mechanism.</p> <p>b) The type of feedback mechanism established on the State website is a form provided requesting Full Name, email, phone number, message, also an Email address ' info@ministryofbudget.zamfara.gov.ng' contact number '+234 803 4233475, +234 802 6969975' and address ' No.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>35, Igbo Road, Canteen Area, Gusau, Zamfara State, Nigeria' has been provided for questions and enquiries.</p> <p>c) The State's feedback provides the following</p> <ol style="list-style-type: none"> <li>i. Acknowledgement of receipt of comments/feedbacks from citizens</li> <li>ii. State's responses to comments/feedbacks</li> <li>iii. Display of timeframe and the State's government contact details.</li> </ol> <p>Screenshots of items i-iii have been obtained as evidence.</p> <p>d) IVA conducted a walkthrough test in confirming the functionality of the feedback mechanism. IVA filled out a form provided on the website requesting the name, email, phone number and message, and sent after filling out the form. An acknowledgement message displayed "success! Message received. We will get back to you shortly. Thank you".</p> <p>e) A demonstration was done by the State Ministry of Budget and Planning to provide further evidence to demonstrate how the State has responded to feedback submitted online. The results and the evidence of the demonstration provided by the State was a response to the mail sent, a screenshot of the mail sent, and feedback received has been obtained.</p> <p>f) The State's feedback mechanism is functional.</p> <p>g) The weblink is <a href="https://www.ministryofbudget.zamfara.gov.ng/contactus.php">https://www.ministryofbudget.zamfara.gov.ng/contactus.php</a></p>		
<b>DLR 2.2</b>	<b>Citizen's Accountability Report based on audited financial statements/report published online for FY2020 not later than 30th September 2021.</b>		<b>Achieved</b>	
1	Did the State prepare the Citizens Accountability Report	a) A copy of the Citizens Accountability Report FY2020 has been downloaded.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	to explain the full Annual Audit Report in a summarized form?	<p>b) A review was done on the downloaded Citizens Accountability Report.</p> <p>c) The Citizens Accountability Report was published before the deadline of 30th September 2021. A copy has been retained on file.</p> <p>d) The full Annual Audit Report for FY2020 has been compared with the Citizens Accountability Report. No significant area of discrepancy has been identified.</p> <p>e) IVA has obtained and reviewed the evidence of public consultations with Citizens to explain the FY2020 financial statement.</p>		
2	Has the State published a Citizens Accountability Report based on the Annual Financial statements/ Audit Report for FY 2020 not later than 30 September 2021?	<p>a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published before the date on 29/09/2021 via <a href="https://accountantgeneral.zm.gov.ng/programs/sftas/budget.html?start=10">https://accountantgeneral.zm.gov.ng/programs/sftas/budget.html?start=10</a> and accessed by IVA on 13/07/2022.</p> <p>b) The Annual Audit Report for FY2020 has been compared with the Citizens Accountability Report. No significant area of discrepancy has been identified.</p> <p>c) The Citizen's Accountability Report was prepared according to the Template provided to the State and no discrepancies exist among the following:</p> <ul style="list-style-type: none"> <li>i) Simple explanation of the Citizens Accountability Report and Executive Summary.</li> <li>ii) The Budget Outturn. (Page 4)</li> <li>iii) The Revenue Outturn. (Page 8)</li> <li>iv) The Expenditure Outturn. (Page 11)</li> <li>v) The Audit Findings. (Page 15)</li> <li>vi) The Audited Financial Statements. (Page 17)</li> <li>vii) Top Sectoral Allocations. (Page 20)</li> <li>viii) Top Value Capital Projects. (Page 26)</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>ix) Citizens-Nominated Projects -Implementation Status Report. (Page 28)</p> <p>d) The minimum required citizen's accountability report information outlined above has been included.</p> <p>e) No different format was used.</p>		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	<p>a) The Citizen's Accountability Report presents in a summarized manner the Audited Financial Statement.</p> <p>b) The Citizens Accountability Report included a concise explanation of the key components of the FY2020 Audited Financial Statements.</p> <p>c) The details of the public consultation report to inform citizens on how best their input was taken into account during the budget preparations. Also, the aim of the CAR is to provide simplified information on how taxpayers' money will be utilized by the government. The Citizen's Accountability Report for 2020 includes a presentation of the annual financial statements. Furthermore, the consultation is an avenue where the contributions as well as inputs given by the participants during budget preparations townhall meetings is taken care of and for people to see which project(s) among the ones they advise government has been executed in that financial year. Copies of the public consultation and Citizen's Accountability Report for 2020 have been obtained and retained on file.</p> <p>We confirmed that the FY20 Annual Audit Report or Audited Financial Statement was summarized in a comprehensible manner to the Citizens in the Citizens Accountability Report. We further confirmed that the CAR was published online by the deadline and presented at a public consultation held on 12/10/2021.</p>	Satisfactory	
<b>DLI 3: Improved Cash Management and reduced Revenue</b>				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>Leakages through Implementation of State TSA</b>				
<b>DLR 3.0</b>	<b>Improved cash management and reduced revenue leakages through the implementation of State TSA</b>		<b>Not Achieved</b>	
1	Has the State established a functional State-level TSA?	<p>a) Zamfara State has not established a functional state-level TSA.</p> <p>b) The State operates multiple accounts. The accounts are as follows:</p> <ul style="list-style-type: none"> <li>● IGR Main Account:</li> <li>● FAAC Account: Zamfara State Accountant General FAAC Account:1001069140: United Bank for Africa (UBA)- Main TSA</li> <li>● VAT Account: Zamfara State Government VAT Account: 1014480255: Zenith Bank</li> <li>● Ecological Funds Account: Zamfara State Ecological Funds Account: 1022582835: UBA- Sub-TSA</li> </ul>	Unsatisfactory	The State should establish a functional TSA
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.	<p>Zamfara State has a cash management strategy.</p> <p>a) The cash management strategy is titled Zamfara State Cash Management Strategy.</p> <p>b) The cash management strategy was produced on the 17th of December 2020. It was co-signed by the then Commissioner of Finance, Hon. Rabi'u Garba and the then Accountant General of the State, Jibrin Baba.</p> <p>c) The cash management strategy includes the processes through which the State Ministry of Finance is able to forecast cash commitments and requirements and provide reliable information on the availability of funds. This is documented in chapter 4, section 4.1, subsections 4.1.1 to 4.1.7.</p> <p>d) In chapter 3, section 3.3, sub-section 3.3.1 item 5, pg.24, the cash management strategy states that all balances in the revenue collecting account shall be swept to the consolidated revenue account in 3 days. Under item 6 of</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>the same sub-section, the cash management strategy states that all cash balances in the consolidated revenue account shall be swept into the accountant general FAAC account being the main TSA account or the Ecological Fund account which is the sub-TSA at every first or second week of the month. However, chapter 4, section 4.3 item 4 pg.31 of the cash management strategy states that the state conducts sweeping into the TSA every 3 days or earlier as the State may deem fit.</p> <p>e) The Zamfara State Government Forecast Report shows the implementation of processes described in the cash management strategy to forecast cash commitments and requirements. The check conducted by the IVA on the cash forecast report confirms the existence of cash commitments and requirements forecasts on a monthly basis as described in chapter 4, sub-section 4.1.1 pg.27. It shows that there is availability of funds.</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)?	The State does not have a computer application where it can view the cash balances in the bank account(s).	Unsatisfactory	The State should establish a cash management system that allows for a central view of cash balances in bank accounts on a single electronic dashboard and should be in line with the approved Cash Management Strategy.
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs	a) No test was performed as the State confirmed the operation of multiple accounts for government revenues. Zamfara State Accountant General FAAC Account: 1001069140: UBA	Unsatisfactory	The State's TSA should have one consolidated revenue treasury

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	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.	b) All Government monies do not go through the main TSA c) Government monies also sit in the State VAT Account and Ecological Funds Account (sub-TSA). d) The main TSA bank Statement was obtained		account for state revenues (FAAC and IGR)												
5	Does the TSA cover a minimum of 80% of the State Government's finances?	<p>The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cash flow Statement for the year ended 2021.</p> <p>See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Inflows (₦)</th> <th>Total Outflows (₦)</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>35,609,259,832.08</td> <td>34,670,025,619.37</td> </tr> <tr> <td>Government Finances*</td> <td>97,874,282,153.9</td> <td>92,247,062,833.92</td> </tr> <tr> <td>Percentage</td> <td>36</td> <td>38</td> </tr> </tbody> </table> <p>The average percentage computation is:</p> $\frac{36\% + 38\%}{2} = 37\%$ <p>The TSA covered <b>37%</b> of the State's finances.</p> <p><b>*Sources:</b> 2021 Audited Financial Statement (Cash flow Statement) Pages 20-21 and the TSA Statement from Zamfara State Accountant General FAAC Account: 1001069140: UBA for January 1st to December 31st, 2021.</p>		Total Inflows (₦)	Total Outflows (₦)	TSA Bank Statement	35,609,259,832.08	34,670,025,619.37	Government Finances*	97,874,282,153.9	92,247,062,833.92	Percentage	36	38	Unsatisfactory	The State's TSA should cover all of Government Finances.
	Total Inflows (₦)	Total Outflows (₦)														
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Percentage	36	38														
<b>DLI 4: Strengthened Internally Generated Revenue (IGR) Collection</b>																
<b>DLR 4.1</b>	<b>State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the</b>		<b>Not Achieved</b>													

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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			
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	<p>a) The State presented their amended revenue Law known as "Zamfara State Consolidated Revenue (Amendment) Law 2021 (1443 AH.)". The Law was assented to by the Governor on the 10th of December 2021.</p> <p>b) The Zamfara State Consolidated Revenue (Amendment) Law, 2021 (1443 A.H) was approved on 10th December 2021.</p> <p>c) The weblinks to the Amended Revenue Law are:  <a href="https://accountantgeneral.zm.gov.ng/programs/sftas/igr/182-zamfara-state-consolidated-revenue-amendment-law-2021.html">https://accountantgeneral.zm.gov.ng/programs/sftas/igr/182-zamfara-state-consolidated-revenue-amendment-law-2021.html</a>   <a href="https://accountantgeneral.zm.gov.ng/images/documents/ZamfaraStateConsolidatedRevenueAmendmentLaw2021.pdf">https://accountantgeneral.zm.gov.ng/images/documents/ZamfaraStateConsolidatedRevenueAmendmentLaw2021.pdf</a>   <a href="https://accountantgeneral.zm.gov.ng/programs/sftas/igr/141-zamfara-state-consolidated-revenue-laws.html">https://accountantgeneral.zm.gov.ng/programs/sftas/igr/141-zamfara-state-consolidated-revenue-laws.html</a></p> <p>d) The Revenue code included all State IGR sources and the LGs IGR sources (falling under the State).</p> <p>e) The consolidated revenue code included the rate chargeable for each IGR source.</p> <p>Further review showed that The schedules of sources and rates applicable for the schedules in the Principal law of 2020 and the amendment law of 2021 are not entirely clear. For example schedule 4 (which purportedly gives details of taxes and levels for state and Local government listed in Schedules 1 and 2) has unclear ranges of rates without any clear formulae</p>	Unsatisfactory	The State should amend its current harmonized law to include all sources of revenue for local governments

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>or criteria so that taxpayers know exactly what they should pay. a specific example is copied and pasted below:</p> <p>5 ENVIRONMENT IMPACT ASSESSMENT (ECOLOGICAL) FEE            (1) These fees are payable by industries, factories, banks, telecommunication mast, aviation, energy providers and other similar business concern or establishment are changeable to this fee from N100,000 to N500,000 annually for environment impact assessment (EIA) or audit depending on their sizes.</p>		
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) or the State Internal Revenue Service (SIRS) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?	<p>a) The 2021 amended law concurred with the Zamfara State Consolidated Revenue Law 2020 that the Zamfara board of Internal Revenue is the sole entity responsible for collecting State Revenue (tax and non-tax) as stipulated in Section 11(f), Section 12(2, 8, &amp; 10) and Section 26 (b) of the Zamfara State Consolidated Revenue Law 2020.</p> <p>There is no clarity in any part of the principal 2020 law or the 2021 amendment law that makes it clear the SIRS is the sole collector. The closest to this is in Schedule 5 of the Principal 2020 law and refers only to the schedules 5 sources and rates</p>	Unsatisfactory	The State should amend its Tax legislation to make it explicit in the law that the SBIR/SIRS is the sole collector for all State government revenues.
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	<p>a) Collections of revenues are made into an account nominated by the SBIR. The accounts to which payments are made are endorsed by the SBIR who educate and inform the public to pay into these collecting banks.</p> <p>IVA obtained evidence of a letter to the bank requesting such an account to be opened.</p>	Unsatisfactory	The state should revalidate revenue accounts by ensuring SBIR/SIRS nominates such accounts

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>b) The SBIR is responsible for reporting and accounting for the State revenue and has full oversight of the accounts. The SBIR Executive Chairman and Director of Finance are both signatories to the account, access to bank statements and access to credit alerts. This is stipulated in Section 28(1) of the Zamfara State Consolidated Revenue Law 2020 which was affirmed by the Zamfara State Consolidated Revenue (Amendment) Law 2021.</p> <p>Further review revealed that there is no clarity in any part of the principal 2020 law or the 2021 amendment law that makes it clear the SIRS is the <b>sole</b> collector. The closest to this is in Schedule 5 of the Principal 2020 law and refers only to the schedules 5 sources and rates.</p> <p>Also, while the designated bank accounts for the state are done by the SIRS (Section 28 of the Principal Law 2020) there is no reference to the designation of the bank accounts at LGA level.</p>		
4	<p>Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?</p> <p>It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2021.</p>	<p>a) The revenue code was approved by the State Legislature on 9th December 2021.</p> <p>b) The Governor assented to it on 10th December 2021.</p>	Satisfactory	
5	<p>Is the Publication published online, so it is automatically available to the public/all taxpayers?</p>	<p>a) IVA was able to download and keep in a file a copy of Zamfara State Consolidated Revenue (Amendment) Law 2021 (1443 AH).</p> <p>b) The document was assessed and downloaded on the 14th of July 2021.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																								
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<b>DLR 4.2</b>	<b>Annual nominal IGR growth rate meets target</b>		<b>Achieved</b> (Stretch Target Met)																									
1	Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets? <b>Basic Target:</b> 20% - 39% <b>Stretch Target:</b> 40%	<p>a. The State adopted the cash basis of accounting for revenue reporting in 2020 and 2021 from the Audited Financial Statements.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below:</p> <table border="1"> <thead> <tr> <th>REPORTING TEMPLATE: OPTION B</th> <th>₦</th> <th>₦</th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2020</th> <th>2021</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Reported IGR in AFS (Before Adjustments)</td> <td>6,643,376,418</td> <td>12,963,912,471</td> <td>95%</td> </tr> <tr> <td>2. INVALID items to be deducted IF reported as part of IGR</td> <td>547,609,776</td> <td>99,189,934</td> <td></td> </tr> <tr> <td>Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)</td> <td></td> <td>27,977,911.00</td> <td></td> </tr> <tr> <td>Investment Income (e.g. dividends)</td> <td></td> <td>71,212,023.38</td> <td></td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION B	₦	₦	% GROWTH	Item	2020	2021		1. Reported IGR in AFS (Before Adjustments)	6,643,376,418	12,963,912,471	95%	2. INVALID items to be deducted IF reported as part of IGR	547,609,776	99,189,934		Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)		27,977,911.00		Investment Income (e.g. dividends)		71,212,023.38		Satisfactory	.
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Miscellaneous	547,609,776.40				
		3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)					
		Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	6,095,766,642	12,864,722,537	111%		
		$\frac{\text{₦}12,864,722,537 - \text{₦}6,095,766,642}{\text{₦}6,095,766,642} \times 100 = 111\%$					
		The annual nominal growth was 111%					
		Source: 2021 Audited Financial Statement Page 20					
<b>DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud</b>							
<b>DLR 5.1</b>	<b>Biometric capture of at least [95] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll</b>					<b>Achieved</b>	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric 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 in January 2020, and it is ongoing.</p> <p>a) The biometric data capturing was not outsourced. The governor of Zamfara state had in 2019 constituted a state-wide biometric capture committee commenced work in January 2020 and has continued to capture biometric records of State Civil Servants and Pensioners.</p> <p>b) The total number of Civil Servants was 26,411</p>				Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations				
		<p>c) The total number of Pensioners was 3210</p> <p>d) The total number of Civil Servants and pensioners on the State Nominal roll and Payroll was 29,621.</p> <p>e) The total number of Civil Servants and Pensioners on the Nominal roll and payroll did not change by 10% or more when compared with the previous year.</p> <p>See the computation below:</p> <table border="1" data-bbox="760 495 1419 578"> <tr> <td>Total No. of Civil Servants and Pensioners 2020</td> <td>29,655</td> </tr> <tr> <td>Total No. of Civil Servants and Pensioners 2021</td> <td>29,621</td> </tr> </table> $\frac{29,621 - 29,655}{29,655} \times 100 = 0.11\%$ <p>f) The total number of biometrics data captured was 29,621.</p> <p>g) The documents obtained for conclusion are “A report on biometric and BVN from the Zamfara state office of the Accountant General”.</p> $\frac{29,621}{29,621} \times 100 = 100\%$ <p>The State had captured 100% biometrics of the State’s civil servants and pensioners on its payroll.</p>	Total No. of Civil Servants and Pensioners 2020	29,655	Total No. of Civil Servants and Pensioners 2021	29,621		
Total No. of Civil Servants and Pensioners 2020	29,655							
Total No. of Civil Servants and Pensioners 2021	29,621							
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<p>a) The State commenced the Biometric data capture of the civil servant and pensioners in January 2020, and it is ongoing.</p> <p>b) The biometrics data that have been linked to the payroll (i.e. for staff and pensioners) was 29,621</p> <p>c) There were no ghost workers detected during the biometric validation.</p>	Satisfactory					

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) There were no ghost workers detected so there were no savings from detection of ghost workers.</p> <p>e) The in-year changes to the civil servant and pensioner payrolls (as a result of starters, leavers, deaths, etc.) are captured by the biometric exercise</p> <p>f) There are procedures in place for ensuring timely updates to the payroll to reflect leavers, retirees, and deaths. The documents obtained to support our conclusion “A report on biometric and BVN from the Zamfara state office of the Accountant General”.</p> <p>g) There were changes to the Civil Servants and Pensioners payrolls during the fiscal year (as a result of starters, leavers, deaths).</p> <p>h) The changes were captured by the biometric exercise.</p> <p>i) The system and procedures in place to identify and remove ghost workers in the case of death of any staff, the relevant MDAs communicate death notice to the civil service commission (CSC). The CSC issues notification to the affected MDA and copies to the pension board, office of the Auditor General for the state and the ministry of finance. The Ministry of finance stops the salaries of the deceased staff. When salaries are stopped and any employee deleted, the payroll software maintains no further records of the affected staff. The pension board will process his/her death benefit, And the office if the Auditor General approves the death benefits. This process applies to any retired staff if the retired staff salary is stopped, and pension board enlist him/her to be part of pensioners. The pension board keeps records of all retired and death staff.</p>		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<p>a) There were no ghost workers, however, a total number of 247 staff were removed due to retirement/death during the FY2021.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>b) The record kept is "A report on biometric and BVN from the Zamfara state office of the Accountant General " and list of leavers and deaths.</p> <p>c) There were no ghost workers identified. However, the leavers /retirees/ dead were identified and removed during the year 2021.</p> <p>d) The total payment before their removal from payroll is ₦16,816,392,353.28.</p> <p>e) The total payments after they have been removed is ₦16,520,374,925.28</p> <p>f) The source of the information is "A report on biometric and BVN from the Zamfara state office of the Accountant General".</p>		
5.2	<b>Link BVN data to at least [95] percent of current civil servants and pensioners on the payroll and payroll fraud addressed</b>		<b>Achieved</b>	
1	Has the State linked the Bank Verification Number data to <b>95%</b> of its current Civil Servants and pensioners on the State payroll?	<p>The State commenced the Biometric data capture of the civil servant and pensioners in January 2020, and it is ongoing.</p> <p>a) The biometric data capturing was not outsourced. The governor of Zamfara state had in 2019 constituted a state-wide biometric capture committee commenced work in January 2020 and has continued to capture biometric records of state civil servants and pensioners.</p> <p>b) The total no of civil servants and number of pensioners was 29,621</p> <p>c) The total no of civil servants and number of pensioners on the State Nominal roll was 29,621</p> <p>d) The BVN data has been linked to the payroll was 29,621.</p> <p>e) The source of the information is "A report on biometric and BVN from Office of the Accountant General (OAG)".</p> $\frac{29,621}{29,621} \times 100$	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		=100%  The State has linked 100% of the State's Civil Servants and Pensioners' BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	<ul style="list-style-type: none"> <li>a) All Civil Servants and Pensioners are with BVN data.</li> <li>b) There were no payroll frauds identified.</li> <li>c) No dates were obtained as no payroll frauds were identified.</li> <li>d) As there were no payroll frauds identified, information on "total payments (emoluments of employee and pensioners) before any identification of fraud" was not in existence.</li> <li>e) There were no payroll frauds identified.</li> <li>f) The source of the information is "A report on biometric and BVN from Office of the Accountant General (OAG)".</li> </ul>	Satisfactory	
<b>DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money</b>				
<b>DLR 6.1</b>	<b>Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget</b>		<b>Achieved</b>	
1	Does the State have a public procurement legal framework that must be approved by the State legislature to have a legal basis, either as a law or a resolution?	<ul style="list-style-type: none"> <li>a) The State has a public procurement legal framework - Zamfara State Bureau of Public Procurement Law and Other Related Matters Thereto 2021 (1442 A.H).</li> <li>b) It has been approved by the State legislature as a law.</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) It was passed and assented to by the Governor on 25th February 2021. An amendment to the Law was passed on 5th November 2021.</p> <p>d) The Procurement Law has been passed.</p> <p>e) The authorising body/office is the Zamfara State House of Assembly.</p> <p>f) The date of approval of the law is 5th February 2021.</p>		
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency; and 3) cover all MDAs receiving funds from the State budget.	<p>The Zamfara State Public Procurement Law, 2021 is substantially structured along the lines of the UNCITRAL Model Law and meets all the requirements as shown below:</p> <p>a) IVA noted the following during our review of the legislation;</p> <p>1. <b>e-Procurement</b> - IVA noted the following during our review of the legislation;</p> <ul style="list-style-type: none"> <li>● The law provides for the Bureau to establish a single e-procurement portal that will serve as a primary and definitive source of all information on government procurement <b>S. 18 (n), 77 (1)</b>.</li> <li>● The law states that it shall be lawful for any procuring entity to consider any or all of its tenders by electronic auction and or simulation on its electronic portal, provided that the use of the electronic system shall be transparent, efficient, and economical <b>S. 77 (2)</b>.</li> <li>● The Bureau is to develop, update and maintain a system wide database for the State on various procurements for the Ministries, Department, Agencies and Local Government levels <b>S. 18 (b)</b>.</li> <li>● The Bureau is to monitor prices of tendered items and provide price database advisory services to the procuring entity <b>S. 18 (c)</b>.</li> <li>● The Bureau is to register and maintain a database of suppliers, contractors or consultants to the exclusion of all Procuring MDAs in the State <b>S. 19 (7)</b>.</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations												
	<p>The law, therefore, complies with the requirements for e-procurement.</p> <p>2. <b>Independence</b> - The results of our assessment of the legislation for independence are in the table below:</p> <table border="1" data-bbox="695 456 1430 919"> <thead> <tr> <th data-bbox="695 456 1037 505">Required Provisions*</th> <th data-bbox="1037 456 1430 505">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="695 505 1037 565">The Functions and Powers of the Agency</td> <td data-bbox="1037 505 1430 565">Compliant; <b>see sections 18 &amp; 19</b></td> </tr> <tr> <td data-bbox="695 565 1037 597">The composition of the board</td> <td data-bbox="1037 565 1430 597">Compliant; <b>See section 5</b></td> </tr> <tr> <td data-bbox="695 597 1037 743">Membership of the Board/Council includes representatives from professional bodies and associations.</td> <td data-bbox="1037 597 1430 743">Compliant; <b>see section 5 (i, j)</b></td> </tr> <tr> <td data-bbox="695 743 1037 803">The grounds for removal of the Chief Executive of the agency.</td> <td data-bbox="1037 743 1430 803">Compliant; <b>see section 8 and 23(1) &amp; (2)</b></td> </tr> <tr> <td data-bbox="695 803 1037 919">Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review</td> <td data-bbox="1037 803 1430 919">Compliant; <b>See Section 80 and Section 96</b></td> </tr> </tbody> </table> <p>3. <b>Establishment of an independent procurement regulatory agency</b></p> <p>a) The Law provides for the establishment of an independent procurement regulatory function known as Zamfara State Bureau of Public Procurement <b>S. 3 (1)</b>.</p> <p>b) The provisions of the Law apply to all procurement of goods, works and services carried out by state and all local and foreign procuring entities <b>S. 35</b>.</p> <p>c) Both conclusions of the IVA and the results of the expert review are aligned.</p>	Required Provisions*	Result	The Functions and Powers of the Agency	Compliant; <b>see sections 18 &amp; 19</b>	The composition of the board	Compliant; <b>See section 5</b>	Membership of the Board/Council includes representatives from professional bodies and associations.	Compliant; <b>see section 5 (i, j)</b>	The grounds for removal of the Chief Executive of the agency.	Compliant; <b>see section 8 and 23(1) &amp; (2)</b>	Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Compliant; <b>See Section 80 and Section 96</b>		
Required Provisions*	Result														
The Functions and Powers of the Agency	Compliant; <b>see sections 18 &amp; 19</b>														
The composition of the board	Compliant; <b>See section 5</b>														
Membership of the Board/Council includes representatives from professional bodies and associations.	Compliant; <b>see section 5 (i, j)</b>														
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Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Compliant; <b>See Section 80 and Section 96</b>														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency, or any other type of entity set up for the statutory purpose?	<p>a) The State has instituted an independent procurement regulatory function known as Zamfara State Bureau of Public Procurement.</p> <p>b) The procurement regulatory function is being performed through a Bureau set up for that purpose.</p> <p>c) The bureau is responsible for prescribing regulations and procedures for public procurements by the legal framework.</p> <p>d) Evidence obtained to demonstrate that the regulatory agency is active and effective includes the IVA's visit to the Zamfara State public procurement bureau. Questionnaires were issued and an interview was held with the director-general, management, and other operational staff of the bureau. Also, a physical inspection of the bureau was carried out.</p> <p>e) A record of 5 procurement cases handled by the Bureau was used in performing the walkthrough to confirm the effective handling of the selected cases.</p> <p>The work done, tests carried out and findings reached are stated below:</p> <p>Review of the Public Procurement Law was done, interviews were conducted with the Chief Executive and Management of the bureau, walkthrough on randomly selected cases handled by the Bureau. Documents sighted include a copy of the advertisement, certificate of no objection, comparison for quotation, cost estimates, minutes of the meeting, due process certificates.</p>	Satisfactory	
<b>DLR 6.2</b>	<b>No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award</b>		<b>Achieved</b>	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>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.</p>			
<p>1 Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2021) that are above the threshold (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?</p>	<p>a) The IVA obtained a schedule of all contracts awarded during the year under assessment.</p> <p>b) The IVA checked for the existence of the following:</p> <ul style="list-style-type: none"> <li>(i) Minimal contracts or no contracts shown for traditionally large spending MDAs,</li> <li>(ii) Minimal/limited awards in some or several months of the year,</li> <li>(iii) No contracts shown for several MDAs in the period, meaning they did not award any contracts,</li> <li>(iv) Variance of the total amount paid to contractors as per the 2021 schedule, to the State's actual capital expenditure.</li> </ul> <p>There was a variance of approximately ₦3bn to the State's actual capital expenditure. An APA Issue was raised to that effect.</p> <p>The State's response is as follows:</p> <p>We note your observations, however, please note that the sum of ₦20,244,673,276.06 for capital expenditure in the 2021 AFS represents actual disbursements in 2021 for capital spending. This figure includes even payments for</p>	<p>Satisfactory</p>	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>contracts awarded in prior years, while the sum of ₦23,339,099,061.14 for 2021 contract awards published on the state official website represents only contracts awarded in 2021. In fact, some of these contracts may not have been paid in 2021, and therefore not part of ₦20,244,673,276.06. Further, the sum of ₦23,339,099,061.14 also includes not only contracts on capital infrastructure but recurrent and other overheads. Therefore, the figure of actual payments for capital expenditure in 2021 and contracts awarded in 2021 will not necessarily be the same.</p> <p>We are available to provide further guidance where necessary.</p> <p>c) The State published the information on all contracts awarded for the year under assessment. The State does not have a threshold within their Procurement Law.</p> <p>d) The list of contracts published online is complete based on a review against the schedule of all contracts provided.</p> <p>e) The data published is in line with the Open Contracting Data Standards (OCDS).</p> <p>f) The publication was obtained from the State’s Procurement page on the State’s website:  <a href="https://accountantgeneral.zm.gov.ng/programs/sftas/public-procurement">https://accountantgeneral.zm.gov.ng/programs/sftas/public-procurement</a></p> <p>Work done/tests carried out:</p> <p>(i) The IVA requested a schedule of all awarded contracts from the State and compared that with the online publication. There were no differences between the two sets of records.</p> <p>(ii) The schedule was also checked for accuracy and completeness. This was noted to be satisfactory.</p> <p>g) Below is the minimum contract award information that was published:</p> <p>(i) Project Name,</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>(ii) Awarding Institution,</li> <li>(iii) Award Date,</li> <li>(iv) Name of Contractor, and</li> <li>(v) The Contract Amount</li> </ul> <ul style="list-style-type: none"> <li>h) None of the items from (g) above was excluded.</li> <li>i) Weblink of the publication:  <a href="https://accountantgeneral.zm.gov.ng/programs/sftas/public-procurement/175-contracts-awarded-in-2021-updated.html">https://accountantgeneral.zm.gov.ng/programs/sftas/public-procurement/175-contracts-awarded-in-2021-updated.html</a></li> <li>j) The contract award information published on the state official website was accessible to the public.</li> </ul>		
2	Has the State implemented e-Procurement in at least 4 MDAs (including Education, Health, and Public Works) by June 30, 2022. The e-Procurement for the <b>2021</b> results DLI is the implementation of at least five modules: e-Registration, e-Publishing/Notification, e-Procurement Plan, e-Tendering and e-Evaluation/e-Awarding?	<ul style="list-style-type: none"> <li>a) The State implemented e-procurement in at least four (4) MDAs (including Education, Health and Public Works) by 30 June 2022. The website is: <a href="https://zamfara-eproc.eurodyn.com/epps/home.do">https://zamfara-eproc.eurodyn.com/epps/home.do</a></li> <li>b) A report on all transactions for the four MDAs during the period 1 January 2021 to 30 June 2022 directly from the e-procurement systems was obtained.</li> <li>c) A separate report of procurements for all four MDAs for the period 1 January 2022 to 30 June 2022 from the Accountant General was not obtained. The IVA was told that no report could be obtained from the Accountant General. An APA issue was raised for clarification. The State's response is as follows: All Zamfara State e-procurement contracts were awarded on 30th June, 2022. Payments have not been made on any of the contracts yet, hence the Accountant General is unable to issue a report at the moment.</li> <li>d) The go-live date for e-procurement at the 4 MDAs was 20th December 2021. There was no back-end evidence for the</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>go-live date. However, the State confirmed the date to the IVA in a signed document.</p> <p>e) For all four MDAs after go-live, a comparison with the system generated report was not done against the Accountant General's report, as payments have not been made.</p> <p>However, the IVA confirms that all transactions after go-live as shown on the portal for the period 1 January 2021 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 procurement lifecycle was conducted.</p> <p>The IVA ensured that contracts with at least 2 categories of expenditure from goods, works or services were selected.</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, e-procurement plan and e-Evaluation/e-Awarding modules have been implemented and transactions were processed through them for the period 1 January 2022 to 30 June 2022.</p> <p>However, the IVA noted that only contracts awarded by the Ministry of Health were published on the portal. An APA Issue was raised for clarification.</p> <p>The State's response is as follows:</p> <p>The State notes your observations. We are currently having some technical challenges around non-reflection of all awarded contracts on piloting MDA's e-procurement page to the BPP central page for "awarded contracts". This</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>challenge, among others, has been communicated to the owner – European Dynamics – of the Portal and efforts are being intensified to address this issue.</p> <p>We give our commitment that we will send screenshots of the “contracts awarded” page once the challenge is addressed.</p> <p>Any inconvenience is highly regretted please.</p> <p>j) The State 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 IVA viewed and obtained screenshots of all contracts on the e-procurement portal. Screenshots obtained include advert publishing, bid submission and evaluation and contract award.</p> <p>The State responded thus: As noted in the report, “the State 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”. The challenge we faced as noted in the report was the non-reflection of all awarded contracts on piloting MDA’s e-procurement page to the BPP central page for “awarded contracts”. However, we were proactive to publish on the Portal, an uploaded copy of all eProcurement contracts awarded as of 30th June, 2022. The link is shown below:</p> <p><a href="https://zamfara-eproc.eurodyn.com">https://zamfara-eproc.eurodyn.com</a></p>		
<b>DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework</b>				
<b>DLR 7.1</b>	<b>State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2)</b>		<b>Previously Achieved in 2020 APA</b>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<b>responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.</b>			
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic Public Financial Management Law?	Previously Achieved in 2020		
2	Does the legislation include provisions that establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.	Previously Achieved in 2020		
4	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the core function of recording and reporting state debt?	Previously Achieved in 2020		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>DLR 7.2</b>	<b>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</b>		<b>Achieved</b>	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average two months after the end of the quarter in 2021?	<p>a) The state submitted quarterly State Domestic Debt Reports (SDDR) (final versions) to the DMO on an average of <u>2</u> months after the end of each quarter.</p> <p>We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> <li>● Q1 submitted on 14/05/2021- 44 days,</li> <li>● Q2 submitted on 16/08/2021 - 47 days,</li> <li>● Q3 submitted on 11/11/2021 - 42 days and</li> <li>● Q4 submitted on 14/02/2022 - 45 days.</li> </ul> $\frac{44+47+42+45}{4}$ <p>Average = 44.5 days (6.36 weeks)</p> <p>The SDDRs were submitted within an average of 1.59 months (Average number of days 44.5).</p>	Satisfactory	
2	<b>Note: Have you reviewed for accuracy and completeness from the DMO:</b> The State Domestic and External Debt Report (SDEDR) along with	(a) The Quarterly State Domestic and External Debt Reports (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained.	N/A	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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>(b) The State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data has been compared with the supporting documents.</p> <p>IVA reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Katsina State Debt Domestic Report along with all underlying data. The report was supported with the DMO's templates and guidelines.</p> <p>We reviewed the DMO report and the DMO report confirmed the <u>accuracy</u> and <u>completeness</u> of the State Domestic Debt Report.</p> <p>(c)</p> <p>c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State has been compared with the State Audited Financial Statement.</p> <p>d) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement</p> <p>e) There were discrepancies noted during the comparison.</p> <p>i. SDDR Figure: ₦99,939,746,045.19</p> <p>ii. AFS Figure: ₦100,449,427,615.18</p> <p>iii. Difference: ₦509,681,569.99</p> <p>f) There were identified discrepancies. An APA issue was sent to the State. The IVA awaits the State response.</p> <p>g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.</p>		
3	Has the State published online the State Debt Sustainability Analysis and Debt Management	a) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published on the State official website.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Strategy Report (SDSA-DMSR) by 31 December 2021?	<p>b) The date of publication was 14th December 2021.</p> <p>c) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published by 31 December 2021. State the evidence obtained to confirm the date of online publication.</p> <p>d) The web link- <a href="https://accountantgeneral.zm.gov.ng/programs/sftas/debt-management/127-zamfara-state-debt-sustainability-analysis-2021.html">https://accountantgeneral.zm.gov.ng/programs/sftas/debt-management/127-zamfara-state-debt-sustainability-analysis-2021.html</a></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>Upon review of the SDSA -DMSR, it included the following:</p> <p>(1) Adequate presentation of medium-term budget forecasts, including:</p> <p>(a) Presentation of MTB forecasts in either a table OR chart(s) (OR both table and chart(s)) with projected annual figures from 2021 to 2024.</p> <p>(b) Description of assumptions underpinning the MTB forecasts from 2021 to 2024:</p> <p>(c) A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout the period 2021-2024</p> <p>(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> <p>(2) A detailed and adequate description of the debt portfolio and borrowing options, including:</p> <p>(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.</p> <p>(b) Description of assumptions underpinning the borrowing options presented:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>(c) A summary analysis of the debt projections and their implications for debt sustainability and fiscal policies throughout the period 2021-2030</p> <p>(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.</p> <p>(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> <p>(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year, which contains the following;</p> <p>(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</p> <p>(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.</p> <p>(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> <p>b) A review and comparison between the information (figures) contained in the assessment report of the SDSA-DMSR obtained from the DMO and the SDSA-DMSR obtained from the State Website was done.</p> <p>There were no differences identified</p>		
<b>DLI 8: Improved Clearance/Reduction of Stock of</b>			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>Domestic Expenditure Arrears</b>				
<b>DLR 8.0</b>	<p><b>Domestic arrears as of end 2020 and end 2021 reported in an online publicly accessible database, with verification process in place.</b></p> <p><b>AND</b></p> <p><b>Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</b></p> <p><b>Basic Target: At least a 5 percent decline or maintain stock below 5 billion naira</b></p> <p><b>Stretch Target: More than 20 percent decline</b></p>		<b>Not Achieved</b>	
1	Has the State established an Arrears Clearance Framework (ACF)?	<ul style="list-style-type: none"> <li>a) The State has established an Arrears Clearance Framework (ACF)</li> <li>b) We obtained a copy of the ACF from the State</li> <li>c) The establishment of the ACF occurred by 11 June 2019.</li> <li>d) The duration of time between the establishment of the ACF and the 31 December 2021 year-end was about 2 years and 6 months which is adequate to allow time for the implementation of the ACF.</li> </ul>	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit	<ul style="list-style-type: none"> <li>a) The ACF contains planned actions to settle arrears and an explicit prioritisation of expenditure arrears to be settled.</li> <li>b) The evidence to show that ACF contains the two stated requirements are on page 2 of the ACF for the Planned</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	prioritization of expenditure arrears to be settled.	actions to settle the arrears and page 4 for the explicit prioritisation of the expenditure arrears to be settled. The documents submitted by the state to confirm the ACF exists is the hard copy of the ACF and a screenshot of the backend where it was published. A copy of the ACF was also downloaded.		
3	Has the ACF been published on a State official website?	<ul style="list-style-type: none"> <li>a) IVA confirmed that the ACF has been published on a State official website</li> <li>b) IVA have downloaded a copy for validation.</li> <li>c) The web link- <a href="https://accountantgeneral.zm.gov.ng/images/documents/acf2020.pdf">https://accountantgeneral.zm.gov.ng/images/documents/acf2020.pdf</a> and the evidence obtained to confirm the date of publication is the screen shot of the back end.</li> </ul>	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The clearance of domestic expenditure arrears is consistent with the ACF. A walkthrough test on the internal domestic arrears database showed that the contractors and pension and gratuity arrears are being paid based on the ACF i.e. based on size and vintage. Payment Vouchers were collected as evidence of settlement of the arrears.	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	<ul style="list-style-type: none"> <li>a) The State has established an Internal Domestic Arrears Database</li> <li>b) The Internal Domestic Arrears Database includes the following: <ul style="list-style-type: none"> <li>a. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, the internal domestic arrears database included the name of the contractor, the amount due at the end-of-year, the nature of the goods and services procured that generated the claim, and billing data (as applicable). The database should show the total domestic arrears stock at the end of each year.</li> <li>b. The aggregate amount of pension and gratuity arrears.</li> </ul> </li> </ul>	Satisfactory	

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

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>database and included as relevant in the online publicly accessible arrears database.</p> <p>d) We confirmed that the online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State.</p> <p>e) The result of the test of the facility for contractors with arrears (creditors) to report any omissions to the State was that a mail was sent to the State through the Portal and it was responded to.</p> <p>f) There were no reports by contractors on omission of their information on the online database to the State, hence the State was unable to provide any records/complaints by contractors.</p> <p>g) Confirmations on the validity or subsequent inclusion of contractor arrears in the internal domestic arrears database was not applicable as the State had no complaints reported by contractors.</p> <p>h) The source of information was <a href="https://accountantgeneral.zm.gov.ng/programs/sftas/debt-management.html">https://accountantgeneral.zm.gov.ng/programs/sftas/debt-management.html</a></p> <p>IVA concludes that the State has a functional online accessible database.</p>		
7.	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p>	<p>The online publication included the aggregate amount for two of the four types of arrears (Pension and Gratuity and Contractor Arrears).</p> <p>The online publication contains the names of contractors owed ₦20m in arrears and above.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																												
<p>4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>																															
<p>8. Has the State met the following?</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p><b>Basic target:</b> At least a 5 percent decline or maintain stock below 5 billion naira <b>Stretch target:</b> More than 20 percent decline <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</i></p>	<table border="1" data-bbox="709 565 1455 1019"> <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>10,695,158,213.82</td> <td>11,674,141,946.82</td> <td>8.39</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>4,473,567,784.07</td> <td>4,820,630,633.07</td> <td>7.2</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Judgment Debt</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Total Domestic Arrears</b></td> <td><b>15,168,725,997.89</b></td> <td><b>16,494,772,579.89</b></td> <td><b>8.04</b></td> </tr> </tbody> </table> <p>IVA reviewed the State Internal Domestic Arrears Database (SIDA) submitted by the State for 2021 APA. It was observed that the Total Domestic Expenditure Arrears figure for FY2020 was ₦16,494,772,579.89 on the 2021 SIDA while the same FY2020 figure on the 2020 SIDA was ₦14,775,756,287.63 resulting to a difference of ₦1,719,016,292.26. So, when compared with the 2021 balances, there was an increase.</p> <p>a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and initially</p>	Aggregate Amount of:	2021 (₦)	2020 (₦)	Diff. (%)	Contractors Arrears	10,695,158,213.82	11,674,141,946.82	8.39	Pension and Gratuity arrears	4,473,567,784.07	4,820,630,633.07	7.2	Salary arrears and Staff claims				Judgment Debt				Other types of domestic expenditure arrears				<b>Total Domestic Arrears</b>	<b>15,168,725,997.89</b>	<b>16,494,772,579.89</b>	<b>8.04</b>	Unsatisfactory	The State should ensure a reduction of domestic arrears debt stock to below ₦5 billion
Aggregate Amount of:	2021 (₦)	2020 (₦)	Diff. (%)																												
Contractors Arrears	10,695,158,213.82	11,674,141,946.82	8.39																												
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p><i>previous year, expressed in percentage terms.</i></p> <p>confirmed it was the same as the balances stated within the SDDR and the AFS for 2021.</p> $\frac{\text{₦}16,494,772,579.89 - \text{₦}15,168,725,997.89}{\text{₦}16,494,772,579.89} \times 100 = 8.04$ <p>The percentage decline is 8.04% Source: State internal domestic expenditure arrears database.</p> <p>The State responded thus: The difference between 2020 total domestic expenditure arrears and 2021 State Internal Domestic Arrears Database of ₦1.719b was due to valid arrears of pension and gratuity found in 2021. The valid arrears were discovered after the 2020 Audited Financial Statements were finalized and approved; hence they were duly recorded in the 2021 Audited Financial Statements.</p> <p>IVA further review shows that the State's response is not adequate enough as the Federal DMO clarified that they still consider the old data for 2020 used in the 2020 APA to be the correct reconciled data as they did not receive any formal communication from the state about any change in arrears for 2020, the sum of ₦14,775,756,287.63 was used for the computation as it was used in the 2020 APA.</p> <p>The re-computation is done as follows:</p> $\frac{\text{₦}14,775,756,287.63 - \text{₦}15,168,725,997.89}{\text{₦}14,775,756,287.63} \times 100 = 2.65\%$		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																						
		There was growth of 2.65% in the arrears.																								
<b>DLI 9: Improved Debt Sustainability</b>																										
<b>DLR 9.0</b>	<p><b>Average monthly debt service deduction is &lt; 40% of gross FAAC allocation for FY2021 AND Total debt stock at end of December 2021 as a share of total revenue for FY 2021 meets target:</b></p> <p><b>-Basic target: &lt; 120%</b></p> <p><b>-Stretch target: &lt; 95%</b></p>		<b>Not Achieved</b>																							
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31<sup>st</sup> December 2021) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1<sup>st</sup> January to 31<sup>st</sup> December 2021)?</p> <p><b>-Basic target:</b> &lt; [120%]</p> <p><b>-Stretch target:</b> &lt; [95%]</p> <p>(ii) Average monthly debt service deduction is &lt; 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 comparison.</p> <p><b><u>Total Public Debt*</u></b></p> <table border="1"> <thead> <tr> <th></th> <th>Financial Statements (₦)</th> <th>DMO/ SDEDR Figures (₦)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>₦100,449,427,615.18</td> <td>₦107,501,799,453.24</td> </tr> <tr> <td>Total External Debts</td> <td>₦12,804,265,367.59</td> <td>₦12,804,265,366.87</td> </tr> <tr> <td><b>Total Public Debts</b></td> <td><b>₦113,253,692,982.77</b></td> <td><b>₦120,306,064,820.12</b></td> </tr> </tbody> </table> <p><b><u>Total Annual Revenue</u></b></p> <table border="1"> <tbody> <tr> <td>2021 Adjusted IGR (see DLI 4.2)</td> <td>₦12,864,722,537</td> </tr> <tr> <td>Gross FAAC Allocation**</td> <td>₦61,665,978,428</td> </tr> <tr> <td>Grants</td> <td>₦3,918,254,684</td> </tr> <tr> <td>Other Revenues</td> <td>₦71,212,023.38</td> </tr> <tr> <td><b>Total Revenue</b></td> <td><b>₦78,520,167,672.38</b></td> </tr> </tbody> </table> <p>a. IVA is yet to obtain the State Domestic and External Debt Report (SDEDR) from the Federal DMO.</p>		Financial Statements (₦)	DMO/ SDEDR Figures (₦)	Total Domestic Debts	₦100,449,427,615.18	₦107,501,799,453.24	Total External Debts	₦12,804,265,367.59	₦12,804,265,366.87	<b>Total Public Debts</b>	<b>₦113,253,692,982.77</b>	<b>₦120,306,064,820.12</b>	2021 Adjusted IGR (see DLI 4.2)	₦12,864,722,537	Gross FAAC Allocation**	₦61,665,978,428	Grants	₦3,918,254,684	Other Revenues	₦71,212,023.38	<b>Total Revenue</b>	<b>₦78,520,167,672.38</b>	Unsatisfactory	The State should reduce its debt to revenue ratio and ensure debt is sustainable. As a general guide, debt should not be more than 120% of Revenues and should ideally be much less.
	Financial Statements (₦)	DMO/ SDEDR Figures (₦)																								
Total Domestic Debts	₦100,449,427,615.18	₦107,501,799,453.24																								
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>We have computed the total debts stock / Revenue percentage for the 2021 year, as follows:</p> <p><b>AFS Computation:</b></p> $\frac{\text{₦}113,253,692,982.77}{\text{₦}78,520,167,672.38} \times 100 = 144\%$ <p><b>DMO Computation</b></p> $\frac{\text{₦}120,306,064,820.12}{\text{₦}78,520,167,672.38} \times 100 = 153\%$ <p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:</p> $\frac{\text{₦}12,349,431,926}{\text{₦}61,665,978,428} \times 100 = 20\%$ <p>b. The required comparison between the State Debt records with the SDEDR from Federal DMO has been done.</p> <p><b>Sources:</b></p> <ul style="list-style-type: none"> <li>i. For Total Revenue 2021 Audited Financial Statement, Page 20</li> <li>ii. For Total Public Debt from DMO* as at December 31, 2021</li> <li>iii. NBS/OAGF (FAAC)</li> </ul> <p>*Table 3(i) below holds a breakdown of the Total Debt.  ** Refer to the FAAC table on DLI9 provided.</p>		

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

S/N	ZAMFARA STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	22,021,729,672.49
2	BAIL OUT (SALARIES) (SOURCE CBN)	9,026,619,426.59
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	16,582,453,823.49
4	EXCESS CRUDE ACCOUNT-BACKED LOAN (SOURCE CBN)	9,655,540,243.14
5	STATE BONDS	805,435,084.89
6	COMMERCIAL BANK LOANS	29,165,686,460.79
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	11,392,206.79
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	-
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	-
11	HEALTHCARE DEDUCTIONS	-
12	BRIDGE FINANCE FACILITY	3,053,241,757.40
13	FAMILY HOMES FUND	-
14	ANCHOR BORROWERS PROGRAMME	-
15	OTHER FGN INTERVENTIONS	-
16	MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF)	2,010,974,779.78
17	JUDGEMENT DEBTS	-
18	GOVT - GOVT DEBTS	-

S/N	ZAMFARA STATE	2021 - AMOUNT (₦)
19	CONTRACTORS' ARREARS	10,695,158,213.82
20	PENSION AND GRATUITY ARREARS	4,473,567,784.07
21	SALARY ARREARS AND OTHER CLAIMS	-
22	OTHER DEBTS	-
	<b>TOTAL DOMESTIC DEBT (TDD)</b>	<b>107,501,799,453.24</b>
	TOTAL EXTERNAL DEBT (TED)	12,804,265,366.87
	<b>TOTAL PUBLIC DEBT (TED+TDD)</b>	<b>120,306,064,820.12</b>

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

TEMPLATE: OPTION A	₦
Item	2021
<b>1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)</b>	<b>61,665,978,428</b>
<b>1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)</b>	<b>41,274,345,764</b>
1.1.1 Gross statutory allocation	35,131,169,371
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	6,143,176,393
<b>1.2 VAT</b>	<b>20,391,632,664</b>
<b>2. Internally Generated Revenues (IGR) - Adjusted</b>	<b>12,864,722,537</b>
<b>3. Grants (internal and external)</b>	<b>3,918,254,684</b>
<b>4A. Other revenues (4.1 + 4.2 + 4.3)</b>	<b>71,212,023.38</b>
4.1 Investment Income (e.g. dividends)	71,212,023.38
4.2 Interest Earned	
4.3 Miscellaneous	
<b>Total Revenues and Grants Calculations</b>	
<b>A) Total Revenues and Grants is (1+2+3+4A)</b>	<b>78,520,167,672.38</b>

## 5. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p><b>DLR 2.1:</b> The findings on number 3(d), page 14 states that “the minimum required budget information outlined above has been included”. If the minimum required budget information had been included, then we think have met the requirements of the Verification Protocol (VP). We, therefore, appeal that DLI 2.1 “Not achieved” status be reconsidered.</p>	<p>The Citizen Budget does not include top projects to be financed. It was only Sectoral Allocations that were included (Page 19).</p>
2	<p><b>DLR 8:</b> The discrepancy between the total domestic expenditure arrears figure in the 2020 and 2021 State Internal Domestic Arrears Database had been explained in an APA issue raised on the 7<sup>th</sup> September, 2022 (copy marked as Appendix 1 in the attached), however, we reproduced the response below:</p> <p><b>The difference between 2020 total domestic expenditure arrears and 2021 State Internal Domestic Arrears Database of N1.719b was due to valid arrears of pension and gratuity found in 2021. The valid arrears were discovered after the 2020 Audited Financial Statements were finalized and approved; hence they were duly recorded in the 2021 Audited Financial Statements.</b></p>	<p>This is noted by the IVA, however, IVA’s findings remain valid.</p>

3	<p>Firstly, we wish to mention that the use of the word “purportedly” to describe a Law that has been duly and validly passed by Zamfara State House of Assembly and accented to by His Excellency, the Executive Governor of the State, in our opinion, not appropriate.</p> <p>Secondly, the schedules of sources and rates applicable in the Principal law of 2020 and the Amendment Law of 2021 are very clear. The <i>ENVIRONMENT IMPACT ASSESSMENT (ECOLOGICAL) FEE</i> cited in the report is one of the few instances where a range of taxes/fees/levies was enacted. This observation among others was raised by previous IVAs and a Regulation to clarify the issue was issued. The “Regulation for the Clarification of Tax Base 2021” was issued on 23<sup>rd</sup> September, 2021. The link is provided below:</p> <p><a href="https://accountantgeneral.zm.gov.ng/programs/sftas/igr/194-regulations.html">https://accountantgeneral.zm.gov.ng/programs/sftas/igr/194-regulations.html</a></p> <p>Also, it is not correct to state that the Principal Law did not make clear provision with respect to Zamfara State Internal Revenue Service being the sole collector. Literally speaking, “Sole” means “not shared with others”. Section 11(f) of the Principal Law provides the following as one of the functions of the Board: “Ensuring the effective and optimum collection of <b>ALL REVENUE</b>, including levies and penalties due to the Government under the relevant Federal and State laws”. The emphasis here is on the words “<b>all</b>” and “<b>revenue</b>”. Section 2 of the Principal Law defines “revenue” to include “<b>charges, taxes, fine, fees, rates, and other income by whatsoever name due to the Government</b>”. See also Section 12(2, 8 &amp; 10) and Section 26(b) of the Principal Law. In conclusion, the issue of sole collector has been put to rest in the 2020 APA Final Result (Appendix 2).</p> <p>Furthermore, Section 35(1) of the Amendment Law 2021 makes clear provision with respect to the assessment and collection of all taxes, fines and rates at the LGA level.</p> <p>In conclusion, the 2020 APA final report (Appendix 2) directed the State to amend its Revenue Law to include <b>ONLY</b> a comprehensive list of rates for all MDAs and LGAs revenues. The 2021 APA draft report confirms that this has been done, therefore, raising new issues in the 2021 APA draft report will be unfair to the State, more so that we don’t have any opportunity to amend any new observations.</p>	<p>IVA Notes the State’s response.</p> <p>This for the World Bank Guidance</p>
4	<p>As noted in the report, “the State 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”. The challenge we faced as noted in the report was the non-reflection of all awarded contracts on piloting MDA’s e-procurement page to the BPP central page for “awarded contracts”. However, we were proactive to publish on the Portal, an uploaded copy of all eProcurement contracts awarded as of 30<sup>th</sup> June, 2022. The link is shown below:</p> <p><a href="https://zamfara-eproc.eurodyn.com">https://zamfara-eproc.eurodyn.com</a></p>	<p>IVA Notes the State’s response.</p> <p>This for the World Bank Guidance</p>