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

ASSESSMENT REPORT

NEW DISBURSEMENT-LINKED INDICATORS (DLIs) DECEMBER 2021

KANO STATE

By:

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

NOVEMBER 2022

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1. Executive Summary

This Report details the outcome of the New 2021 Disbursement Linked Indicators 11.3 (JUN 2022) Verification. In conducting the verification, the IVA 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 verification and shows areas where the State achieved results. In total, Kano State achieved 1 (One) DLR out of 1 (One) DLR applicable to the New DLIs (December 2021 to June 2022).

We included the findings from the verification exercise and identified several areas where the State can improve its performance. These are set out in detail within Section 2 of this report.

1.1 Table 1: Assessment Results' Summary

Key:	Achieved	Not Achieved	Previously Achieved

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 11: Provided structured tax relief in response to COVID-19 and strengthened tax administration (personal income tax and property taxation) to enhance non-oil tax collection in the resilient recovery phase	**DLR 11.3: Strengthened the foundation for state property taxation by updating property records in urban areas**	**Achieved (stretch)**	

2. Kano State Assessment results for DLR 11.3

2.1 Results for DLR 11.3

Disbursement Linked Indicators (DLIs) and Tests		Approach for assessment	Conclusion	Recommendations
DLR 11.3 2021	(2021) Strengthened the foundation for state property taxation by updating property records in urban areas		Achieved	
1.	1. Has the State completed or updated property records of at least a certain percentage of all properties that have electricity connections in urban areas? Base target= percentage properties enumerated out of total properties with an electricity connection is 20% Stretch target= percentage properties enumerated out of total properties with an electricity connection is 50%	a. IVA obtained a report accompanied by the data set with property records with supporting evidence from the State to show that they have met target for the records submitted and all mandatory fields are included. The States (i) delivered data in **excel** format (ii) used the standardized codes for the mandatory variables that have been shared (iii) submitted 3 separate files for parcels, buildings and building units. b. The State's total number for properties with electricity connections in urban areas as provided by the World Bank is 1,016,994. c. The total number of properties enumerated which have data for all mandatory fields (see annex 2) for the electrified urban areas used by the World Bank for setting the target: vacant parcel + buildings + building units registered for legal entity) are as follows: Vacant parcel - 0 buildings -265,871 building units -276,968 **Total – 542,839** d. IVA computed the percentage of:	Satisfactory (Stretch Target met)	

Disbursement Linked Indicators (DLIs) and Tests	Approach for assessment	Conclusion	Recommendations
	Total number of properties enumerated which have data for all mandatory fields/ (total number for properties with electricity connections in urban areas as provided by the World Bank as follows: $$\frac{542,839}{1,016,994} \times 100$$ 53.38%		
2. The property information is no older than August 31, 2020?	IVA verified the evidence provided by the State and confirmed that the records submitted to meet the target the information was updated or collected after August 31, 2020 as shown in the computation below: $$\frac{542,839 \times 100}{1,016,994}$$ 53.38%	Satisfactory (Stretch target met)	
3. The property records submitted have a unique ID that links parcels, buildings, and building units?	1. IVA computed from buildings file, the number of records [without missing value] for Building ID and Parcel ID as follows: 	ID linking with structure footprint	Building ID	265,871	 		Parcel ID	265,871	 2. IVA computed from building units file, number of records [without missing value] for Building ID and Building Unit ID as follows: 	Unique ID linking to buildings	Building ID	265,871	 	Unique ID of building units	Unit ID	276,968		Satisfactory (*1.1/1.2 has been met*)	

Disbursement Linked Indicators (DLIs) and Tests	Approach for assessment	Conclusion	Recommendations
	The Computed percentage of (Number of complete building records + Number of complete building units)/ number of records needed for meeting base target (- see 1.1) is as follows: $$\frac{542,839 \times 100}{203,398.8}$$ $$= 266.88\%$$		
4. The size of the land parcel is documented by a polygon on a map/indicated as ParcelArea in the file?	IVA computed the percentage of the number of complete records for the variable **Parcel Area** in the file with **parcel records** to all vacant parcel records submitted as follows: 	ParcelArea	16,000
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Vacant Parcel submitted	0 | $$\frac{16,000 \times 100}{0}$$ = More than 100%	Satisfactory (*1.1/1.2 has been met*)	
5. The parcel is linked to buildings (one to one or one to many)?	IVA computed the percentage of the number of complete records for the variable **Parcel ID** in the **building** records file) to all records needed for meeting base target as follows: 	ParcelID	Enumeration Parcel GUID (Base Target Number for the State)
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265871	203,398.8 | $$\frac{265,871 \times 100}{203,398.8}$$	Satisfactory (*1.1/1.2 has been met*)	

Disbursement Linked Indicators (DLIs) and Tests	Approach for assessment	Conclusion	Recommendations
	=130.71%		
6. The number of occupancy units within the property are included?	a. IVA computed the percentage of the number of complete records for the variable **No of Units** in the **building** records file) to all records needed for meeting base target as follows:	Satisfactory (*1.1/1.2 has been met*))	

<table>
<tr><td rowspan="2">No of Units
Base Target</td><td>265,871</td></tr>
<tr><td>203,398.8</td></tr>
</table>

$$\frac{265{,}871 \times 100}{203{,}398.8}$$

$$= 130.71\%$$

b. IVA computed the percentage of the number of complete records for the variable **StructPres** in the **Parcel** records file to all vacant parcel records submitted as follows:

StructPres	16,000
Base Target	203,398.8

Structure Presence in the parcel records file to all vacant parcel records:

$$\frac{16{,}000 \times 100}{0}$$

$$= \text{More than } 100\%$$

Disbursement Linked Indicators (DLIs) and Tests	Approach for assessment	Conclusion	Recommendations
	Structure Presence in the parcel records file to Base Target: $$\frac{16,000 \times 100}{203,398.8}$$ = 7.87%		
7. Has the following information been included in each of the property records of the State: i. Main Use ii. Occupancy Type iii. Number of dwelling units iv. No of floors v. Age of building vi. Wall material vii. Roof material viii. Formal/Informal document ix. Access to sewerage, water, waste disposal and electricity	a. IVA computed the percentage of the number of complete records in the **building** records file for each of the following variables: (BldgUse; OccupType; NoOfFloors; BldgAge; WallMat; RoofMat; BldgArea; Picture)/ all records needed for meeting base target as follows: $$\frac{265,871 \times 100}{203,398.8}$$ = 130.71% 	BldgUse	Yes
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OccupType	Yes
NoOfFloors	Yes
BldgAge	Yes
WallMat	Yes
RoofMat	Yes
BldgArea	Yes
Picture	Yes		Satisfactory (*1.1/1.2 has been met. If yes mark as satisfactory[1]*)	

Disbursement Linked Indicators (DLIs) and Tests	Approach for assessment	Conclusion	Recommendations
	b. IVA computed the percentage of the number of complete records in the **parcel** file for each of the following variables: (Document; Water; Sewerage; Power; Waste)/ total number of vacant parcel records as follows: Complete records in parcel file to No of vacant parcel records: $$\frac{16{,}000 \times 100}{0}$$ = More than 100% Complete records in parcel file to Base Target: $$\frac{16{,}000 \times 100}{203{,}398.8}$$ =7.87% <table><tr><td>Document</td><td>Yes</td></tr><tr><td>Water</td><td>Yes</td></tr><tr><td>Sewerage</td><td>Yes</td></tr><tr><td>Power</td><td>Yes</td></tr><tr><td>Waste</td><td>Yes</td></tr></table>		

8. Are the ownership characteristics captured?
    i.   Single or multiple owner
    ii.   Telephone
    iii.   Address
	a. IVA computed the percentage of the number of complete records in the **parcel** records file for each of the following variables: (OwnerName; TypeOwner; ParcelUse; OccupType; OwnerPhone; ParcelAddr)/ total number of vacant parcel records as follows:	Satisfactory (*1.1/1.2 has been met*)	

Disbursement Linked Indicators (DLIs) and Tests	Approach for assessment	Conclusion	Recommendations
	$$\frac{16{,}000}{0} \times 100$$ = More than 100%		

OwnerName	Yes
TypeOwner	Yes
ParcelUse	Yes
OccupType	Yes
OwnerPhone	Yes
ParcelAddr	Yes

Disbursement Linked Indicators (DLIs) and Tests	Approach for assessment	Conclusion	Recommendations
2 1. The property records are stored in an electronic database?	a. The IVA obtained an electronic copy of the Property records. The IVA confirms that the copy received was in MS Excel. The Server in which the Property records were stored electronically is as follows: Search Building by buildingid http://209.182.233.237:8820/kanoapi/kanobldgs/read_one.php?id=KNBID-9376 Get all Buildings http://209.182.233.237:8820/kanoapi/kanobldgs/read.php Search by parcelid http://209.182.233.237:8820/kanoapi/kanosftas_parcels4326/read_one.php?id=KN99370 Get all parcels	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Approach for assessment	Conclusion	Recommendations
	http://209.182.233.237:8820/kanoapi/kanosftas_parcels4326/read.php Location: Cloud b. The State provided documentation showing IP/URL of Server as http://209.182.233.237:8820/kanoapi/kanobldgs/read_one.php?id= KNBID-9376		

2. The property record database is accessible to SIRS/SBIR in electronic format?	a. The SIRS has been granted access to the database. A demand notice has been provided as evidence.
	b. The State provided Access to the Billing Software via IP/URL
	    http://178.79.158.184:8081/site/login
	    Login: gis.director@blm.com
	    Password: 12345
	
	STEPS to access billing software and generate demand notices
	    1. Log in with the details above
	    2. Click on Parcel
	    3. Search for the parcel using name
	    4. Click on view
	    5. Generate demand notice
	    6. Select the year
	    7. Print demand notice.
	c. The IP/URL of Server is:
	    http://178.79.158.184:8081/api/user/login
		Satisfactory	

3. The database has started being used to issue demand notices?	a. Sample demand notices were shared by SIRS as evidence that the API in place can generate Demand Notices.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Approach for assessment	Conclusion	Recommendations
		b. The IVA has conducted spot checks to confirm that the Billing System enables generating demand notice for five randomly selected properties.		
3	1. Has the state issued a regulation that mandates that property data collected is shared with MDAs?	a. IVA has obtained and retained a copy of the regulation. b. The regulation was signed by the relevant authority on 16th June 2022 by the Executive Chairman, KIRS. c. The regulation mandates that the state share the data collected with MDAs in line with the key requirements captured in the draft model regulations issued to all states.	Satisfactory	
	2. States have distributed the regulations to appropriate MDAs and the SIRS/SBIR?	a. IVA received from the State, a report with supporting evidence that the State has distributed the regulations to appropriate MDAs and the SIRS/SBIR.	Satisfactory	
	3. A copy of the tax demand notice for property related charges/taxes?	a. The State provided IVA with a copy of the updated demand notice b. The State provided the IVA with a copy of the updated demand notice which has Unique Identifier and File Number and Layout of the Property (The Property ID Reference was not included but there was Unique Identifier and File No). c. IVA was provided with the updated demand notice which included details of the taxes and charges but did not include information on any discounts for early payment or penalties for late payment.	Satisfactory	
	4. A tax demand notice for property related charges/taxes has been amended to include geotag of property?	The demand notices included the Unique Identifier and File Number on the updated demand notice.	Satisfactory	

3. 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	The State have gone through the Result and found to be Ok with the findings.	The State's response is duly noted.
2		
3		
4		