

KATSINA STATE GOVERNMENT OF NIGERIA

**STATE ARREARS RECORDING, VERIFICATION AND
CLEARANCE REPORT (SARVCR)**

DECEMBER 2020

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1.0 OVERVIEW OF THE SARVCR

This State Arrears Recording, Verification and Clearance Report (SARVCR) summarizes the activities and outputs of Katsina State in managing domestic expenditure arrears. It contains the following information among others:

- The total stock of domestic expenditure arrears at the end of each year as recorded in their internal domestic arrears database;
- The policies and action taken to verify arrears, including the verification process triggered by individual contractors who submitted online queries to communicate the non-reporting of their claims to the State Ministry of Finance;
- The policies and actions to settle arrears in the past year, including explanations on their consistency with the State Arrears Clearance Framework;
- The policies and actions taken to prevent occurrence of new arrears in the past year; and
- The establishment of a link to the electronic files showing evidence of the internal domestic expenditure arrears database; and
- Setting up an electronic line to the online publicly-accessible domestic expenditure arrears database.

2.0 Report Preparation and Responsibility

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3.0 Summary of Katsina State's progress towards the achievement of the requirements of SFTAS DLI 8.

The progress made Katsina State towards the achievement of each of the requirement of SFTAS DLI 8 highlighting successes and challenges has been summarized in the following table:

S/No	SFTAS Domestic Arrears DLI 8 Checklist of key Steps	Status	Successes	Challenges
	A domestic arrears committee established with clear ToRs and authority	Completed		
2	All domestic arrears should be recorded in an internal domestic arrears database that has updated data on the total stock (recommended on a monthly basis)	Completed		
3	An arrears verification process is in place and arrears categorized into valid, contested and rejected.	Completed		
4	A publicly-accessible arrears database online	Completed		

	including the following information: i. Total contractors arrears, total pension and gratuity arrears total salary arrears, and ii. A list of names of contractor with recognized arrears exceeding 20 Million Naira.			
5	The website supporting the online publicly accessible arrears database shall contain an electronic link that permits contractors to query /very their claim	Completed		
6	The State Arrears Clearance Framework is established and published and published online containing: 1. The planned actions to settle arrears: 2. An explicit prioritization of expenditure arrears to be settled.	Completed		

4.0 Debt Stock Reporting

The next section shows the State Arrears Recording, Verification and Clearance Report (SARVCR) containing the debt stock report which indicates the balance at the end of the previous year, the additional debt or arrears incurred during the year and the actual arrears

reduction made. It also indicates the balance of arrears in the major classification as at the end of 2020.

5.0 Committee Activities

The specific activities for the committee include but not limited to the following:

- i. Implement and do a periodic review of the ACF;
- ii. Adoption and implementation of records management guidelines for domestic arrears;
- iii. Adoption and implementation of verification guidelines for all types of domestic arrears;
- iv. Establishment of a consolidated internal domestic arrears database;
- v. Establishment of publicly-accessible online version of the database;
- vi. Reporting of valid and verified domestic arrears to end-users; and
- vii. Produce the State arrears recording, verification and clearance report.

6.0 Monitoring and Reporting of the Arrangement

The Committee reports directly to the State Governor through the Honorable Commissioner for Finance.

STATES FISCAL TRANSPARENCY, ACCOUNTABILITY AND SUSTAINABILITY (SFTAS) PROGRAM FOR RESULT

KATSINA STATE 2020 DOMESTIC EXPENDITURE ARREARS REPORTING

ARREARS TYPE	OUTSTANDING ARREARS AT DECEMBER 31, 2019 (STOCK)	ADDITIONAL VALID ARREARS FOUND	INVALID ARREARS FOUND	ADJUSTED ARREARS AT DECEMBER 31, 2019 (STOCK)	NEW ARREARS INCURRED IN 2020 (FLOW)	ARREARS SETTLED (PAID) 2020 (FLOW)	OUTSTANDING ARREARS AT DECEMBER 31, 2020 (STOCK)	CHANGES IN ARREARS BETWEEN DECEMBER 31, 2019 AND DECEMBER 31, 2020	% CHANGES IN ARREARS BETWEEN DECEMBER 31, 2019 AND DECEMBER 31, 2020
Contractors Arrears	10,347,375,328.00	8,408,367,848.00	-	18,755,743,176.00	3,604,673,829.00	4,778,806,102.16	16,568,569,225.84	(2,187,173,950.16)	-11.66%
Gratuity Arrears	814,787,880.70	2,478,237,891.00	-	3,293,025,771.70	1,130,562,819.00	1,940,776,764.14	2,482,811,826.56	(810,213,945.14)	-24.60%
Salary Arrears and Other Staff Claims	-	-	-	-	-	-	-	-	-
Other Arrears	-	-	-	-	-	-	-	-	-
Total of All Arrears Type	11,162,163,208.70	10,886,605,739.00	-	22,048,768,947.70	4,735,236,648.00	6,719,582,866.30	19,051,381,052.40	(2,997,387,895.30)	-13.59%