



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

### **2020 Annual Performance Assessment (APA) Report**

## **ABIA STATE**

**By:**

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



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## 1. Executive Summary

This report details the outcome of the Annual Performance Assessment (APA) conducted on Abia State for the 2020 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 2020 APA for Abia State and shows areas where the State was able to achieve results. In total, Abia State achieved 9 (Nine) DLRs out of 15 fifteen DLRs applicable to the 2020 APA while 2 (two) DLRs were achieved in 2018 and 2019 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: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%		
<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 FY2021 budget.		
	DLR 2.2: Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms		
<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 70 percent of state government finances.		The State TSA did not cover a minimum of 70% of the Government finances.
<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	2019	
	DLR 4.2: 2020-2019 annual nominal IGR growth rate meets target: i.e. 2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection	Stretch Target Met	
<b>DLI 5:</b> Biometric registration and Bank Verification Number	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
(BVN) used to reduce payroll fraud	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		
<b>DLI 6:</b> Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency, and 3) Cover all MDAs receiving funds from the state budget	2018	
	DLR 6.2: (Basic Target) Framework contract for e-Procurement signed by 31 December 2020 AND Publication of contract award information above the threshold set out in the State’s procurement law/regulation every month in OCDS format on the state website or online portal if available.  DLR. 6.2 (Stretch Target) Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs  <b>AND</b>  <i>For those MDAs without e-procurement:</i> 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		The State did not publish a complete contract award information online.
<b>DLI 7:</b> 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.		
	DLR 7.2: Quarterly state debt reports for Q2, Q3, and Q4 accepted by the DMO on average two months or less after the end of the quarter in 2020  <b>AND</b>  Annual State debt sustainability analysis published by end of December 2020		<ul style="list-style-type: none"> <li>● The Annual State Debt Sustainability Analysis did not include a Medium-Term Budget forecast.</li> <li>● The Annual State Debt Sustainability Analysis did not include a detailed description of the State’s debt portfolio and borrowing options.</li> </ul>

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<b>DLI 8:</b> Improved clearance/reduction of the stock of domestic expenditure arrears	<p>DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place.</p> <p><u>Stretch Target:</u> Domestic arrears as of end 2019 and end 2020 reported in an online publicly accessible database, with verification process in place <b>AND</b> at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock of arrears below 5 billion.</p>		<ul style="list-style-type: none"> <li>● State had no Arrears Clearance Framework as at 31<sup>st</sup> December 2020</li> <li>● State has not established an Internal Domestic Arrears Database</li> </ul>
<b>DLI 9:</b> Improved debt sustainability	Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target: Basic target: < 150%, Stretch target: < 125%.	<b>Basic Target Met</b>	

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 3.0: Develop a functional State-level TSA where all Government revenues (IGRs ad FAAC) are credited into before expenditure. Formally approve and implement a cash management strategy.
2. DLR 5.1: Biometric data of all the State's civil servants and pensioners should be captured and linked with the State's payroll to reduce fraud and identified ghost workers taken off the payroll.
1. DLR 5.2: The BVN data of all Civil servants and Pensioners should be linked to the State's payroll to address payroll fraud.
- 3.
4. DLR 6.2: Contract award information, above the set threshold, should be published online every month in OCDS format on the State's website. Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs.
5. DLR 7.2: The Annual State Debt Sustainability Analysis includes Medium Term Budget forecast; The Annual State Debt Sustainability Analysis includes a detailed description of the State's debt portfolio and borrowing options; The Annual State Debt Sustainability Analysis includes Analysis of the debt and fiscal figures in the preceding year.)
6. DLR 8: An internal domestic arrears database with relevant balances is placed online through a publicly accessible portal. Domestic arrears are cleared year on year to achieve total arrears of less than N5bn as soon as possible.

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

## 2. Introduction

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### 2.1 Overview

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

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

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

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and PricewaterhouseCoopers (PwC) was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2020. To ensure a high-quality assessment, the IVA had some input/support from the Debt Management Office (DMO), to review the legislation and returns in place in this State.

### 2.2 Scope

This Annual Performance Assessment (APA) Report covers the State’s performance in 2020 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 2020 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 2020. 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 21/02/2022 and 25/02/2022 with a team of six (6) persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

The draft conclusions from the work done were reported to the State and this final report takes account of the State’s comments on the draft results, as shown in Section 4.

The Office of the Auditor-General for the Federation (OAuGF) and PricewaterhouseCoopers (PwC) are grateful to the State for the cooperation enjoyed during the assessment and hope the recommendations within this Report are found valuable towards improving fiscal transparency, accountability, and sustainability in the management of the public finances and resources of the State.

### 3. Assessment Results

#### 3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>DLI 1: Improved Financial Reporting and Budgeting Reliability</b>				
<b>DLR 1.1</b>	<b>Financial Year [2020] quarterly budget implementation reports published with Q2, Q3, and Q4 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><b>Q1</b></p> <p><a href="https://abiastate.gov.ng/wp-content/uploads/2020/04/1st-Quarter-Report-By-Sub-Org.pdf">https://abiastate.gov.ng/wp-content/uploads/2020/04/1st-Quarter-Report-By-Sub-Org.pdf</a></p> <p><a href="https://abiastate.gov.ng/wp-content/uploads/2020/04/1st-Quarter-CRF.pdf">https://abiastate.gov.ng/wp-content/uploads/2020/04/1st-Quarter-CRF.pdf</a></p> <p><a href="https://abiastate.gov.ng/wp-content/uploads/2020/04/1st-Quarter-Report-Summary.pdf">https://abiastate.gov.ng/wp-content/uploads/2020/04/1st-Quarter-Report-Summary.pdf</a></p> <p><b>Q2</b></p>	Satisfactory	



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p><a href="https://abiastate.gov.ng/wp-content/uploads/2020/07/2ndreport.pdf">https://abiastate.gov.ng/wp-content/uploads/2020/07/2ndreport.pdf</a></p> <p><b>Q3</b></p> <p><a href="https://abiastate.gov.ng/wp-content/uploads/2020/10/Abia-State-2020-3rd-Quarter-Report.pdf">https://abiastate.gov.ng/wp-content/uploads/2020/10/Abia-State-2020-3rd-Quarter-Report.pdf</a></p> <p><b>Q4</b></p> <p><a href="https://abiastate.gov.ng/wp-content/uploads/2021/01/Abia-State-2020-4thQuarter-Report.pdf">https://abiastate.gov.ng/wp-content/uploads/2021/01/Abia-State-2020-4thQuarter-Report.pdf</a> as follows:</p> <ul style="list-style-type: none"> <li>● Q1 - (30/04/2020) – 4.3 weeks (30 days)</li> <li>● Q2 – (23/07/2020)- 3.3 weeks (23 days)</li> <li>● Q3 – (23/10/2020) - 3.3 weeks (23 days)</li> <li>● Q4 – (26/01/2021) - 3.7 weeks (26 days)</li> </ul> <p>Average days (weeks) for the online publication were computed based on the last 3 quarters, as stated below:</p> $\frac{23+23+26}{3}$ <p>Average = 24 days (3.4 Weeks)</p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2020. We equally 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	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s website (see weblinks above) we observed the following:</p> <p>a) The Budget Implementation Reports presented were actually Quarterly Management Reports for the State.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>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 as well as the cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.</p>	<p>Though they 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 do not include the actual expenditures for each quarter. Though the cumulative expenditures for the year to date were included. However, the cumulative figures provided for each quarter will enable the user/reader to determine the actuals for each quarter.</p> <p>c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations.</p> <p>d) The State has an Amended/Revised Budget.</p> <p>e) The Budget Implementation Reports showed both the Approved Original Budget AND the Approved Amended/Revised Budgets.</p> <p>The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations.</p>		
3	<p>Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date?</p>	<p>Upon review of the State’s Budget Performance reports, it stated the actual expenditures for each quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
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?	Upon review of the State's Budget Performance reports, it stated 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 included debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory													
<b>DLR 1.2</b>	<b>FY [2020] deviation from total amended budget expenditure is less than 15%</b>		<b>Achieved</b>													
1	Has the State computed the difference between the Amended approved total budgeted expenditure for the fiscal/calendar year and the actual total expenditure in the fiscal/calendar year, divided by the Amended approved total budgeted expenditure and expressed in positive percentage terms?	<p>The State computed the budget deviation for 2020 to be (2.6%)</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Amended Budget (₱)</th> <th>Actual (₱)</th> </tr> </thead> <tbody> <tr> <td>Capital page 15</td> <td>47,380,091,520</td> <td>35,533,863,436.74</td> </tr> <tr> <td>Rec. Exp page 15</td> <td>55,280,341,384</td> <td>69,831,687,770.64</td> </tr> <tr> <td><b>Total</b></td> <td><b>102,660,432,904</b></td> <td><b>105,365,551,207.38</b></td> </tr> </tbody> </table>		Total Amended Budget (₱)	Actual (₱)	Capital page 15	47,380,091,520	35,533,863,436.74	Rec. Exp page 15	55,280,341,384	69,831,687,770.64	<b>Total</b>	<b>102,660,432,904</b>	<b>105,365,551,207.38</b>	Satisfactory	
	Total Amended Budget (₱)	Actual (₱)														
Capital page 15	47,380,091,520	35,533,863,436.74														
Rec. Exp page 15	55,280,341,384	69,831,687,770.64														
<b>Total</b>	<b>102,660,432,904</b>	<b>105,365,551,207.38</b>														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Is the expenditure outturn deviation computed less than 15%	$\frac{\text{₦}102,660,432,904 - \text{₦}105,365,551,207.3}{\text{₦}102,660,432,904} \times 100$ $= -2.6\%$ <p>The budget performance deviation is 2.6%</p> <p><b>Source:</b> 2020 Audited Financial Statement page 15 and 2020 Revised Appropriation Law page 14.</p> <p>The State provided evidence of the supplementary budget, amounting to ₦28,788,751,906.00, as follows:</p> <p>Total Recurrent Expenditure - ₦16,872,026,670.00</p> <p>Total Capital Expenditure - ₦11,916,725,236.00</p> <p>The Supplementary budget was signed into law on 22<sup>nd</sup> December 2020 by the State executive Governor and this has been retained in file.</p> <p>However, in line with the requirements of the Verification Protocol, the total amended budget was used as basis for computation of the budget deviation.</p>		
<b>DLR 2.1</b>	<b>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2021] budget</b>		<b>Achieved</b>	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the	<p><b>The documents obtained and reviewed include the attendance register, minute/ report.</b></p> <p>a) Some of the LGAs that were in attendance include:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>participation of local government authorities and State-based CSOs?</p>	<p>(i). ABA NORTH  (ii). ABA SOUTH  (iii). AROCHUKWU  (iv). BENDE  (v). IKWUANO  (vi). ISIALA NGWA NORTH  (vii). ISIALA NGWA SOUTH  (viii). ISUIKWUATO  (ix). UMUNNEOCHI (NNEOCHI)  (x). OBINGWA (OBIOMA NGWA)  (xi). OHAFIA  (xii). OSISIOMA  (xiii). UGWUNAGBO  (xiv). UKWA EAST  (xv). UKWA WEST  (xvi). UMUAHIA NORTH  (xvii). UMUAHIA SOUTH</p> <p>b) Some of the CSOs representatives in attendance include:  (i). Mrs. Charity M. Omekara  (ii). Emerueh Hawkins N.  (iii). Nwadinobi Okezie  (iv). Ahiabuike Kelechi  (v). Nwokocha A. Innocent</p> <p>c) The sources of information from which our conclusions were drawn include Report/minutes and attendance list.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>d) The date of consultation was 24th November 2020 and the venue was MICHAEL OKPARA AUDITORIUM Umuahia</li> <li>e) Ten attendees were called to confirm their attendance at the public consultation.</li> <li>f) The budget was drafted on the 29<sup>th</sup> of December, 2020.</li> <li>g) IVA compared the date of the consultation and the date of the draft budget. The consultation was done first.</li> <li>h) The publication of the proposed budget was done before the 30th December, 2020, which was before the 31<sup>st</sup> January 2021 deadline.</li> <li>i) The weblink for the publication of the proposed budget <a href="https://abiastate.gov.ng/wp-content/uploads/2021/04/Abia-State-2021-2023-Approved-Estimates.pdf">https://abiastate.gov.ng/wp-content/uploads/2021/04/Abia-State-2021-2023-Approved-Estimates.pdf</a></li> </ul>		
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 2021 to enable citizens to find the inputs easily?	<ul style="list-style-type: none"> <li>a) One CSO that co-signed the Minutes is Nwokocha Anozie Innocent, and a copy of the signed minute has been retained on file.</li> <li>b) The title of the minute is “MINUTES OF MEETING OF CITIZENS ENGAGEMENT FOR THE PREPARATION OF THE YEAR 2021 BUDGET PROCESS HELD AT MICHAEL OKPARA AUDITORIUM ON 24th NOVEMBER, 2020” and the date of the Minutes was 24th November 2020.</li> <li>c) The signatories represent the State OGP Secretariat, IDEAL-Nigeria, and the State Budget Office.</li> <li>d) The weblinks to the publication is <a href="https://abiastate.gov.ng/wp-content/uploads/2020/12/minutes-of-meeting-2020.pdf">https://abiastate.gov.ng/wp-content/uploads/2020/12/minutes-of-meeting-2020.pdf</a> and <a href="https://abiastate.gov.ng/wp-">https://abiastate.gov.ng/wp-</a></li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		content/uploads/2020/12/2021-CITIZENS-ENGAGEMENT-CONSULTATIVE-FORUM.pdf		
<b>DLR 2.2</b>	<b>Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms</b>		<b>Achieved</b>	
1.	Did the state conduct dissemination events to explain amendments to the FY2020 State budget and was adequate evidence of the events published online and by the due date?	<ul style="list-style-type: none"> <li>a) A review was done on all required documents, physical or virtual video records/ pictures with a list of attendees (with names, organizations, email addresses).</li> <li>b) The Amended Budget and the evidence of the dissemination events have been downloaded.</li> <li>c) The dissemination was done virtually on 5th June, 2020 and 25th July 2020.</li> <li>d) The dissemination event was published online on 31<sup>st</sup> July, 2020 for the meeting held on 5<sup>th</sup> June, 2020 and 30<sup>th</sup> July, 2020 for the meeting of 25<sup>th</sup> July, 2020. The publications were before the deadline of 30<sup>th</sup> September 2020. The IVA obtained screenshot evidence of dissemination published online by the State and copies are retained in the assessment file.</li> <li>e) The evidence of the dissemination event was published in the same location with the Amended FY20 budget on <a href="https://abiastate.gov.ng">https://abiastate.gov.ng</a></li> <li>f) The dates of posting with the IT service provider at the State. The Screenshot was taken from the back end of</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>the States website showing the time stamp as evidence to back it up.</p> <p>g) The weblink of publications are <a href="https://abiastate.gov.ng/wp-content/uploads/2020/07/ABIA-STATE-CITIZENS-ENGAGEMENT-ON-2020-REVISED-BUDGET-REVIEW-ZOOM-MEETING-MINUTES-JUNE-5TH-2020.pdf">https://abiastate.gov.ng/wp-content/uploads/2020/07/ABIA-STATE-CITIZENS-ENGAGEMENT-ON-2020-REVISED-BUDGET-REVIEW-ZOOM-MEETING-MINUTES-JUNE-5TH-2020.pdf</a> and <a href="https://abiastate.gov.ng/wp-content/uploads/2020/07/ABIA-STATE-CITIZENS-ENGAGEMENT-ON-2020-REVISED-BUDGET-JULY-25-2020.pdf">https://abiastate.gov.ng/wp-content/uploads/2020/07/ABIA-STATE-CITIZENS-ENGAGEMENT-ON-2020-REVISED-BUDGET-JULY-25-2020.pdf</a></p>		
2	Has the State published online, on the State website(s) a Citizens Budget based on the Amended Budget (2020) not later than 30 September 2020?	<p>a) The Citizens Budget based on the Amended Budget (2020) was published before the due date via <a href="https://abiastate.gov.ng/wp-content/uploads/2020/09/ABIA-State-2020-Revised-Approved-Budget-Citizens-Budget.pdf">https://abiastate.gov.ng/wp-content/uploads/2020/09/ABIA-State-2020-Revised-Approved-Budget-Citizens-Budget.pdf</a> accessed on (21/02/2022).</p> <p>b) A comparison of the Amended Budget 2020 with the Citizens Budget was done and there are no significant areas of discrepancies.</p> <p>c) The Citizen’s Budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template and contains the following:</p> <ul style="list-style-type: none"> <li>i. Simple explanation of the annual amended budget/citizens budget- page 2-4</li> <li>ii. The sources of revenues - page 20</li> <li>iii. Sources of domestic and foreign grants, domestic loans, and other financing sources - page 25-30</li> <li>iii. Total expenditure by economic classifications page 10</li> </ul>	Satisfactory	



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>iv. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap - page 7</li> <li>v. Disclosure of Budget deficit (if any) and how it will be financed: No Budget Deficit</li> <li>vi. Sectoral Allocation (by MDAs) - page 11</li> <li>vii. Top Projects to be financed (at least 5) - page 15</li> </ul> <p>d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included.</p> <p>e) The same format was used, and there are no significant differences.</p>		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	<ul style="list-style-type: none"> <li>a) The Citizens Budget included an explanation of the key changes between the Original FY20 Budget and the Amended FY20 Budget. Pages 4, 6 &amp; 7.</li> <li>b) The Citizens Budget included Data on reallocations and adjusted spending priorities. Pages 8 &amp; 13.</li> </ul> <p>We confirmed that the Amended FY20 State Budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.</p>	Satisfactory	
4	Does the State website have functional feedback and response online mechanisms?	<ul style="list-style-type: none"> <li>a) The State has established functional feedback and response online mechanisms on its website.</li> <li>b) The type of feedback mechanism established on the State website includes email address: <a href="mailto:info@abiastate.gov.ng">info@abiastate.gov.ng</a>, Citizens Gate Comment Link via <a href="https://abiastate.gov.ng/citizens-gate/">https://abiastate.gov.ng/citizens-gate/</a>, Twitter via <a href="https://twitter.com/abiastategov">https://twitter.com/abiastategov</a>, and Facebook via <a href="https://web.facebook.com/abiastategovernment/?_rdc=1&amp;_rdr">https://web.facebook.com/abiastategovernment/?_rdc=1&amp;_rdr</a></li> <li>c) The State's feedback mechanism provides at a minimum:</li> </ul>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<ul 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> <li>d) The IVA tested the feedback mechanism to confirm its functionality or otherwise. The State IT service provider was available to conduct a walkthrough with the IVA. The IVA sent a message through the Citizens Gate link requesting for information relating to the Citizens Budget. There was an automatic acknowledgement sent to the sender. There was a response through the email address provided by the IVA. IVA equally reviewed the Twitter handle and Facebook page; it was seen that the citizens commented on the platforms. IVA obtained a screenshot of them.</li> <li>e) A demonstration was done by the State's IT service provider on the State official website to provide further evidence to demonstrate how the State has responded to feedback submitted online. IVA obtained a feedback report generated from the State website and obtained a screenshot as evidence.</li> <li>f) IVA confirmed and concluded that the State's feedback mechanism is functional.</li> <li>g) The weblinks are <a href="https://abiastate.gov.ng/">https://abiastate.gov.ng/</a>, <a href="mailto:info@abiastate.gov.ng">info@abiastate.gov.ng</a>, Citizens Gate Comment Link via <a href="https://abiastate.gov.ng/citizens-gate/">https://abiastate.gov.ng/citizens-gate/</a>, Twitter via <a href="https://twitter.com/abiastategov">https://twitter.com/abiastategov</a>, and Facebook via <a href="https://web.facebook.com/abiastategovernment/?_rdc=1&amp;_rdr">https://web.facebook.com/abiastategovernment/?_rdc=1&amp;_rdr</a></li> </ul>		
<b>DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA</b>			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<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. The State has not established a functional State-level TSA.</p> <p>b. The State operates multiple accounts for IGR, FAAC, and VAT.</p> <p>The State submitted its Bank Statement for</p> <ul style="list-style-type: none"> <li>IGR Main Account: ABSG Consolidated IGR Acct., Account No.: 1013892907, Zenith Bank.</li> </ul> <p>The State did not provide a Bank Statement for their FAAC and VAT Account(s). An APA Issue was raised requesting the State TSA Bank Statement but only the IGR Account Bank Statement was submitted to the IVA. The State, in responding to the APA issue raised, stated that “The State is yet to complete all the relevant TSA processes.”</p>	Unsatisfactory	The State should establish a functional TSA
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>The State did not provide a cash management strategy. An APA issue was raised requesting the State Cash Management Strategy. The State, in responding to the APA issue raised, stated that “The State is yet to complete all the relevant TSA processes.”</p>	Unsatisfactory	The State should implement an approved cash management strategy that covers the processes through which the State can forecast cash commitments and requirements and provide reliable information on the availability of funds.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	<p>The IVA was not shown a computer application where the State can view the cash balances in the bank account(s).</p> <p>An APA Issue was raised. The State, in responding to the APA issue raised, stated that “The State is yet to complete all the relevant TSA processes.”</p>	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 such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	<p>a) IVA did not visit relevant MDAs because the State did not facilitate visits to the MDAs by the completion of the initial findings report.</p> <p>b) The TSA of the State is an ABSG Consolidated IGR Account with Zenith Bank.</p> <p>c) Not all Government monies go through this account.</p> <p>d) It was not clear if all Government monies do not sit in the other revenue collecting banks. IVA did not visit any MDAs, or conduct interviews with Bank Operators or Fee Payers to ascertain if there were any revenues collected by MDA which were not brought into the consolidated revenue account.</p> <p>e) The State’s Consolidated IGR Account was obtained.</p>	Unsatisfactory	The State’s TSA should have one consolidated revenue treasury account for state revenues (FAAC and IGR)
5	Does the TSA cover a minimum of 70% of the State Government’s finances?	The IVA was unable to compute the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2020.	Unsatisfactory	The State’s TSA should cover all of Government Finances.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
		<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></td> <td></td> </tr> <tr> <td>Government Finances*</td> <td>111,096,666,470.52</td> <td>105,365,551,207.38</td> </tr> <tr> <td>Percentage</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table> <p>The State did not provide the IVA with a TSA bank Statement. Only the IGR Statement was provided. An APA issue was raised. The State responded that “The State is yet to complete all the relevant TSA processes.”</p> <p>IVA could not compute the total cash inflow and outflow from the TSA account against the total government finance inflows and outflows as contained in the Cashflow Statement for the year ended 2020.</p>		Total Inflows (₦)	Total Outflows (₦)	TSA Bank Statement			Government Finances*	111,096,666,470.52	105,365,551,207.38	Percentage	Nil	Nil		
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Percentage	Nil	Nil														
<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 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</b>		<b>Previously Achieved In 2019 APA</b>													
1	Does the State have an up-to-date consolidated revenue code that includes all the	Previously Achieved In 2019 APA														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?			
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?	Previously Achieved In 2019 APA		
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?	Previously Achieved In 2019 APA		
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?  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	Previously Achieved In 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																
	year, up to 31 December 2020.																			
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	Previously Achieved In 2019 APA																		
<b>DLR 4.2</b>	<b>2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection</b>		<b>Achieved</b>																	
1	<p>Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets?</p> <p><b>Basic Target:</b> N/A</p> <p><b>Stretch Target:</b> equal to or higher than the 2019 nominal IGR collection</p>	<p>a. The Basis of Accounting used for revenue reporting in 2019 and 2020 from the Audited Financial Statements is the cash basis.</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>2019</th> <th>2020</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Reported IGR in AFS (Before Adjustments)</td> <td>15,499,929,260.76</td> <td>15,921,226,179.91</td> <td>3%</td> </tr> <tr> <td>2. INVALID items to be deducted IF reported as part of IGR</td> <td>86,098,571.35</td> <td>44,445,339.22</td> <td></td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION B	₱	₱	% GROWTH	Item	2019	2020		1. Reported IGR in AFS (Before Adjustments)	15,499,929,260.76	15,921,226,179.91	3%	2. INVALID items to be deducted IF reported as part of IGR	86,098,571.35	44,445,339.22		Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		Interest Earned	7,173,909.69	10,388,679.42		
		Miscellaneous	78,924,661.66	34,056,659.80		
		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)	15,413,830,689	15,876,780,841	3%	
		$\frac{\text{₦}15,876,780,841 - \text{₦}15,413,830,689}{\text{₦}15,413,830,689} \times 100 = 3\%$				
		The annual nominal growth is 3%				
		Source: 2020 Audited Financial Statement page 30				
<b>DLI 5: Biometric Registration and Bank Verification Number (BVN)</b>						
Used to reduce Payroll Fraud						



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 5.1	Biometric capture of at least [90] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		Not Achieved	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of the current civil servants and pensioners on the State payroll?	<p>The State commenced data capturing of biometrics in 2020 and the exercise is still ongoing.</p> <p>a) The Biometric data capturing of the Civil Servants and pensioners was not outsourced to any Consultant but handled by the State Central Payroll.</p> <p>b) The total number of Civil Servants is 14,983.</p> <p>c) The total number of Pensioners is 5,372.</p> <p>d) The total number of staff on the State Nominal roll is 20,355 while the Payroll number is the same 20,355.</p> <p>e) The total number of 20,038 persons comprising 14,666 Civil Servants and 5,372 Pensioners had been captured in the Biometrics Database.</p> <p>In the 2019 APA exercise, the State presented a total number of staff on the State Nominal roll as 28,652 which comprised of 20,292 Civil Servants and 8,360 pensioners as at Dec 2019.</p> <p>The above numbers are vastly different from what was reported for 2020. An Analysis Report for Pensioners seeks to explain the drop in the number of pensioners, however the difference for the civil servants is not yet explained.</p> <p>f) The documents obtained in concluding are:</p>	Unatisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>(i) Report on the Biometric Verification Exercise of State Civil Servants in Abia State from March 2020 to November 2020 (page 3);</p> <p>(ii) Analysis Report on the Database of Pensioners (page 2); - The State should provide the signed and dated copy of the report.</p> <p>(iii) Abia State Accountant-General's Audited Financial Statements for the Year ended 31st December, 2020;</p> <p>(iv) Abia State Biometrics and BVN Reports as at 31st December, 2020 (page 1);</p> <p>(v) 2020 Revalidation Report of Civil Servants and Pensioners (page 1);</p> <p>(vi) Call for monthly submission of Retirement Register and Dismissed/Deceased/Abscondee Staff in your Ministries, Departments, and Agencies (page 1).</p> <p style="text-align: center;"><u>No of Biometric Data Captured x 100</u></p> <p>Total No of Civil Servants + Pensioners on payroll</p> $\frac{14,666+5,372}{14,983 + 5,372} \times 100$ $= \frac{20,038}{20,355} \times 100$ $= 98.44\%$ <p>The State had captured 98.44% of the State's Civil Servants and Pensioners on its payroll.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		However, because of large inadequately explained discrepancies in numbers of civil servants and pensioners between 2019 and 2020, this test is found unsatisfactory.		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<p>a) The State commenced linkage of the biometric data to the payroll in 2020 and the process is still ongoing.</p> <p>b) The total number of 20,038 persons comprising 14,666 Civil Servants and 5,372 Pensioners with Biometrics data captured had been linked to payroll.</p> <p>c) During the Biometrics linkage to payroll, a total number of 317 ghost workers were detected and removed from the payroll database.</p> <p>d) The payroll figure before the removal of ghost workers from the payroll was ₦29,569,136,964.98 in 2019 while the payroll figure was ₦32,354,530,729.23, in 2020 leaving a difference of ₦2,785,393,764.26.</p> <p>e) The State should explain the reason for the increase of ₦2,785,393,764.26 between 2019 and 2020 payroll despite the reduction in numbers of staff in the State Nominal Roll.</p> <p>f) In the 2020 financial year, there were in-year changes to the civil servants and pensioners' payrolls as a result of ghost workers and dead pensioners detected on the payroll which are being captured by the biometric exercise.</p> <p>g) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths as follows:</p> <p>i. There is a call circular for monthly submission of retirement register and dismissed / deceased /</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>absconded Staff of Ministries, Departments and Agencies by the Head/Central Payroll Office to all Commissioners, Secretary to the State Government, all Permanent Secretaries, Chief of Staff to the Executive Governor, Chief of Staff to the Deputy Governor, Chairman Civil Service Commission, Chairman Local Government Service Commission and all Heads of Non-Ministerial Departments at the beginning of every month (page 1);</p> <p>ii. Upon receipt of the monthly call circular, the Head/Central Payroll Office acts immediately to update the nominal roll and the payroll accordingly.</p> <p>iii. The Central Payroll Office removes the ghost workers from the payroll immediately; notifying the affected MDAs accordingly.</p> <p>h) There were changes to the civil servant and pensioner payrolls during the fiscal year as a result of starters, leavers, deaths.</p> <p>i) These changes were captured by the biometric exercise.</p> <p>j) The ghost workers were removed within three (3) months of each case being confirmed. Screenshots of evidence were taken from the payroll in the month of detection during the year 2020 and the month of removal within two months of detection in 2020.</p> <p>The documents obtained to support the Conclusion is:</p> <p>i. Report on the Biometric Verification Exercise of State Civil Servants in Abia State from March 2020 to November 2020 (page 3);</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>ii. Analysis Report on the Database of Pensioners (page 2);</li> <li>iii. Abia State Auditor-General's Audit Report for the Year Ended 31st December, 2020;</li> <li>iv. Abia State Biometrics and BVN Reports as at 31st December, 2020 (page 1);</li> <li>v. 2020 Revalidation Report of Civil Servants and Pensioners (page 1);</li> <li>vi. Call for monthly submission of Retirement Register and Dismissed/Deceased/Abscondee Staff in your Ministries, Departments, and Agencies (page 1);</li> <li>vii. Abia State Monthly Verification Control Analysis Report from the Office of the Head of Service to the Head/Central Payroll Office (page 1);</li> <li>viii. Screenshots evidence of removal of identified ghost workers and dead pensioners from the payroll within three months of identification.</li> </ul>		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<ul style="list-style-type: none"> <li>a) During the Biometrics linkage to payroll, a total number of 317 confirmed ghost workers were detected and removed from the payroll database.</li> <li>b) The record that was kept for the identified ghost workers is the Abia State Monthly Verification Control Analysis Report from the Office of the Head of Service to the Head/Central Payroll Office.</li> <li>c) These ghost workers were identified between March 2020 and November 2020; and were removed from the payroll within three (3) months of each case being confirmed. Screenshots of evidence were taken from</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>the payroll on the month of detection between March 2020 and November 2020, and the month of removal immediately after the month of detection.</p> <p>d) The payroll figure in 2019 was ₦29,569,136,964.98.</p> <p>e) The payroll figure before the removal of ghost workers from the payroll was ₦29,569,136,964.98 in 2019 while the payroll figure was ₦32,354,530,729.23, in 2020 leaving a difference of ₦2,785,393,764.26.</p> <p>f) The records where identified ghost workers were documented is the Abia State Monthly Verification Control Analysis Report from the Office of the Head of Service to the Head/Central Payroll Office (page 1).</p> <p>Given the above, the State is required to provide the under listed while responding to this report:</p> <p>a. The Monthly verification Control Analysis Report for 2020.</p> <p>b. Explain why the payroll figure before the removal of ghost workers from the payroll was ₦29,569,136,964.98 in 2019 and the payroll figure was ₦32,354,530,729.23, in 2020 leaving a difference of ₦2,785,393,764.26.</p> <p>Otherwise, this DLR is not achieved.</p> <p>The State responded as follows:</p> <p>“DLI 5.1 Decrease in staff strength and increase in staff costs</p> <p><b>Decrease in Staff Strength</b></p> <p>- Mass Retirement from Staff Payroll:</p> <p>Decrease in staff strength was occasioned by mass retirement of civil servants inherited from old Imo State as many of them</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>were due for retirement within the year (2020) under assessment.</p> <ul style="list-style-type: none"> <li>- Regular Biometric Verification Exercises to expunge ghost workers</li> </ul> <p>Regular biometric verification exercise was carried out in the year under review to expunge ghost workers in the payroll. This further depleted the state staff strength</p> <ul style="list-style-type: none"> <li>- Exit of Political Appointees from Payroll:</li> </ul> <p>Many Political Appointees exited the nominal/payroll after they have served out their tenures from all the LGAs.</p> <ul style="list-style-type: none"> <li>- Death of Staff across MDAs</li> </ul> <p>Significant number of deaths were recorded among the state civil servants within the year under review</p> <p><b>Increase in Staff Costs</b></p> <ul style="list-style-type: none"> <li>- Minimum Wage Implementation:</li> </ul> <p>The implementation of Minimum Wage resulted in increase in State wage bill hence increase in Staff Costs.”</p> <ul style="list-style-type: none"> <li>- Payment of Promotion Arrears</li> </ul> <p>Government also embarked on payment of promotion arrears</p>		
5.2	<b>Link BVN data to at least [90] 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	The State commenced and completed the BVN data capture of the civil servants and pensioners in 2020.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>90% of its current Civil Servants and pensioners on the State payroll?</p>	<p>a) The BVN data capture of the civil servants and pensioners was not outsourced but was handled by the Central Payroll Office.</p> <p>b) The total number of civil servants is 14,983.</p> <p>c) The total number of pensioners is 5,372.</p> <p>d) The total number of staff on the State Nominal roll is 20,355 comprising 14,983 Civil Servants and 5,372 Pensioners.</p> <p>e) The total number of civil servants and pensioners whose BVN data have been linked to the payroll is 19,876 (14,983 Civil servants and 4,893 Pensioners).</p> <p>f) The documents obtained for the conclusion are:</p> <ul style="list-style-type: none"> <li>i. Payroll register</li> <li>ii. Report on the Biometric Verification Exercise of State Civil Servants in Abia State from March 2020 to November 2020 (page 3);</li> <li>iii. Analysis Report on the Database of Pensioners (page 2);</li> <li>iv. Abia State Auditor-General's Audit Report for the Year Ended 31st December, 2020;</li> <li>v. Abia State Biometrics and BVN Reports as at 31st December, 2020 (page 1);</li> <li>vi. Screenshots of the Payroll system from the Veripaysuite Application System were obtained and retained in the assessment file.</li> </ul> <p style="text-align: center;"> <math display="block">\frac{\text{No of BVN Data Linked}}{\text{Total No of Civil Servants + Pensioners on payroll}} \times 100</math> </p>		



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$= \frac{19,876 \times 100}{20,355}$ $= \underline{98\%}$ <p>The State has linked 98% of the State's Civil Servants and pensioners' BVN data to the payroll.</p>		
2	Has the State taken steps to identify payroll fraud?	<p>a) The total number of civil servants and pensioners with BVN data is 19,876.</p> <p>b) The records kept for the identified payroll fraud are: Abia State Monthly Verification Control Analysis Report from the Office of the Head of Service to the Head/Central Payroll Office (page 1).</p> <p>c) The payroll frauds were identified between March 2020 and November 2020 and were removed from the payroll within two months of detection in 2020.</p> <p>d) The payroll figure in 2019 was ₦29,569,136,964.98.</p> <p>e) The payroll figure before the removal of ghost workers from the payroll was ₦29,569,136,964.98 in 2019 while the payroll figure was ₦32,354,530,729.23, in 2020 leaving a difference of ₦2,785,393,764.26.</p> <p>f) The sources of this information were:</p> <p>i. Report on the Biometric Verification Exercise of State Civil Servants in Abia State from March 2020 to November 2020 (page 3);</p> <p>ii. Analysis Report on the Database of Pensioners (page 2);</p> <p>iii. Abia State Auditor-General's Audit Report for the Year Ended 31st December, 2020;</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>iv. Abia State Biometrics and BVN Reports as at 31st December, 2020 (page 1).</p> <p>However, the State is required to provide the reasons for the increase in payroll figure before the removal of ghost workers from the payroll of ₦29,569,136,964.98 in 2019 to ₦32,354,530,729.23, in 2020 leaving a difference of ₦2,785,393,764.26 only, while responding to this report. Otherwise, this DLR will not be achieved.</p> <p>The State responded that</p> <p><b>“Decrease in Staff Strength</b></p> <ul style="list-style-type: none"> <li>- Biometric Verification Exercises to expunge ghost pensioners and pay roll fraud were carried out</li> </ul> <p>Biometric verification exercise of pensioners were carried out in the year under review to expunge ghost pensioners in the payroll. This further depleted the state staff strength. Some of the discoveries made in the course of the exercise includes:</p> <ul style="list-style-type: none"> <li>- Duplications: It was observed that a number of Names, Account Numbers and BVNs had duplicates.</li> <li>- Mismatches: A number of names did not match with the account number and BVN attached to them.</li> <li>- Irregular Differences: Instances were a particular name records different account numbers, same BVN with a particular gross payment (in some cases, the gross payment is not the same)</li> <li>- Non-existing, Incorrect and Incomplete account numbers.</li> <li>- Non-existing, Incorrect and Incomplete Bank Verification Numbers</li> </ul>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>- Non-inclusion of Bank Verification Numbers.</li>   <li>Death of Many pensioners were discovered during the verification exercise</li>   <li>Significant number of deaths were discovered among the pensioners within the year under review</li>   <li><b>Increase in Staff Costs</b></li>   <li>- Corresponding increase in the retirement arising from retirees from Imo state further resulted in upsurge in the pension wage bill.”</li> </ul>		
<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>Previously Achieved In 2019 APA</b>	
1	Does the State have a public procurement legal framework that must be approved by the State legislature to have a	Previously Achieved In 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	legal basis, either as a law or a resolution?			
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.	Previously Achieved In 2019 APA		
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?	Previously Achieved In 2019 APA		
DLR 6.2	<b>Basic Target: Framework contract for e-Procurement signed by 31 December 2020 AND 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.</b>		<b>Not Achieved</b>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p><b>Stretch Target: Implement e-Procurement in at least 3 MDAs (incl. Education, Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs</b></p> <p><b>AND</b></p> <p><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.</b></p>			
1	<p>Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2020) 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 has obtained a schedule of all contracts awarded during the year under assessment. There is no defined threshold. The state published all contracts.</p> <p>b) The data published is in line with the Open Contracting Data Standards (OCDS)</p> <p>c) All the contract data were published by October 2020. The Timestamp was retained in the assessment file.</p> <p>d) The source of the publication is from the Bureau of Public Procurement and was published online at <a href="https://abiaeprocurement.ab.gov.ng/award_contract_.php">https://abiaeprocurement.ab.gov.ng/award_contract_.php</a></p> <p>It was noted that:</p>	Unsatisfactory	The state should all publish contract award information online as required under the standards.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>● The awards published were for the entire year</li> <li>● There was no threshold stated in the law, the bureau publishes all contracts.</li> <li>● IVA downloaded and retained a copy of the online publication</li> <li>● IVA retained a screenshot of the webpage from which the publication was downloaded</li> <li>● IVA confirmed that the awards published were for the year 2020.</li> </ul> <p>e) The minimum contract award information that was published is as follows:</p> <ul style="list-style-type: none"> <li>(i) Project name,</li> <li>(ii) Awarding institution,</li> <li>(iii) Award date,</li> <li>(iv) Name of contractor, and</li> <li>(v) Contract amount was published.</li> </ul> <p>f) All items from (e) above were published</p> <p>g) <a href="https://abiaeprocurement.ab.gov.ng/award_contract_.php">https://abiaeprocurement.ab.gov.ng/award_contract_.php</a></p> <p>The contract award information was published on the e-procurement website and is accessible to the public.</p> <p>However, IVA noted that link shows only 33 contracts were awarded in 2020 despite having a Capital Expenditure of N35,533,863,436.74. The DLR requirement is to publish all contracts above threshold. Hence the State is required to provide justification for the discrepancy while giving response to this report.</p> <p>Given the above, the State is required to provide justification for the discrepancy while giving a</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>response to this report. Otherwise, this DLR will not be achieved.</p> <p>The State responded as follows:</p> <ol style="list-style-type: none"> <li>1. Contract Award Publication for all awards using the e-Procurement system can be accessed via this link: <a href="https://abiaeprocurement.ab.gov.ng/award_publication.php">https://abiaeprocurement.ab.gov.ng/award_publication.php</a></li> <li>2. Filter the page using "electronicSubmission" as keyword to get all electronic awards.</li> <li>3. Click any of the "Award Title" to view all details of the procurement from Planning, Tender, to Award.</li> </ol> <p>IVA observed that the contracts contained in the schedule on the website, under the column "submission method" has a total of 20 contracts for 'electronic submission' and they are for 2021 contracts.</p> <p>Also, the "submission method" for written contain a total of 33 contracts which were awarded in 2020.</p> <p>The 33 contracts do not represent all contracts awarded in 2020. The total award amount for all 33 contracts was N9.37bn, compared with Capex outturn of N35.5bn for the year as shown in DLR 1.2</p> <p>The DLR requirement is to publish all contracts awarded above the threshold. There is no threshold in Abia State.</p>		
2	Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020?	<ol style="list-style-type: none"> <li>a) The State has not signed the SaaS e-Procurement Framework Contract. Rather the state has signed a contract with Bon Maximus Companies on 9<sup>th</sup> December 2020</li> <li>b) A copy of the e-Procurement Framework Contract has been obtained and retained in the assessment file.</li> <li>c) The State has signed a contract with Bon Maximus for the deployment of e-procurement.</li> </ol>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3  New	Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the 2020 results DLI is the implementation of e-Publishing/Notification module for contract notice and contract award?	<p>a) The State has not implemented e-procurement in at least 3 MDAs (Education, Health, and Public Works) as at December 2020.</p> <p>b) A walkthrough of the 5 transactions from each MDA was not done (with at least 2 categories of expenditure from goods, works, or services).</p> <p>c) No transactions in 2020 followed the procurement lifecycle.</p> <p>d) The State has implemented the E-Publishing/Notification module for contract notice and contract award. It was effective during the year 2020. Evidence of the E-Publishing/Notification of contract notices and contract award:  <a href="https://abiaeprocurement.ab.gov.ng/award_publication.php">https://abiaeprocurement.ab.gov.ng/award_publication.php</a>.  A screenshot has been obtained.</p>	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs, and in at least 3 MDAs in the first instance (including Education, Health, and Public Works).
<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) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.</b>		<b>Achieved</b>	
1	Is there an Approved state-level public debt legislation	a) The State has provided copies of their approved state-level public debt legislation	Satisfactory	



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?	<p>b) (i) Debt Management Office Law was assented to on 26<sup>th</sup> August, 2020.</p> <p>(ii) Debt Management Office Amendment Law was assented to on 2<sup>nd</sup> December, 2021.</p> <p>(iii) Fiscal Responsibility Law was assented to in 2012.</p>		
2	<p>Does the legislation include provisions that establish the following?</p> <p>1) Responsibilities for contracting state debt;</p> <p>2) Responsibilities for recording/reporting state debt; and</p> <p>3) Fiscal and debt rules/limits for the state.</p>	<p>The legislation included all the required provisions as follows:</p> <p>a) The sections of the code that meet the three required provisions are:</p> <p>(i) Establishing responsibilities for contracting state debt: section 3 of the DMOAL, which provides that “an agreement entered into for subsection (1) of section 21 of this Law shall, subject to the provisions of this section, be in writing and executed for and on behalf of the Government by the Commissioner or by such other person as the Commissioner may, from time to time and in writing, designate for that purpose.”</p> <p>(ii) Establishing responsibilities for recording and reporting state debt: section 4(a) of the DMOL, which states that “the Office shall maintain a reliable database of all loans taken or guaranteed by the Government or any of its agencies.” The requirement was also satisfied by section 44(4) of the FRL, which provides that “the Commission shall publish quarterly, a list of the Local Governments in the State that have exceeded the limits</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>of consolidated debt indicating the amount by which the limit is exceeded.”</p> <p>(iii) Establishing fiscal and debt rules or limits: Section 14 of the FRL, which states that “the aggregate expenditure and the aggregate amount appropriated by the state House of Assembly for each financial year shall not be more than the estimated aggregate revenue plus a deficit, not exceeding three percent of the estimated gross domestic product or any sustainable percentage as may be determined by the House of Assembly for each financial year.”</p> <p>b) The results of the expert review have been retained in the assessment file. All references to sections of the law by the expert are checked.</p> <p>c) Both conclusions (Team conclusions and expert conclusions) are aligned.</p> <p>d) Both conclusions are aligned.</p>		
3	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?	<p>The State Debt Management Department Office has been operational during the APA year and performs the core function of recording and reporting state debt.</p> <p>Physical inspection of the official premises of the office was conducted while interviews were also conducted with the Chief Executive of the Office and other random staff of the office. These were done using the questionnaire provided for the purpose which has been retained in the assessment file. Documents provided by the departments which were reviewed included the SDDR, SDSAR, DMOL and National Debt Management</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Framework. All these documents are also retained in the assessment file.		
DLR 7.2	<p>Quarterly state debt reports for Q2, Q3, and Q4 2020 accepted by the DMO on average two months or less after the end of the quarter in 2020</p> <p>AND</p> <p>Annual state debt sustainability analysis published by end of December 2020</p>		Not Achieved	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2020?	<p>a) We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> <li>● Q2 submitted on (28/07/2020) 28 days,</li> <li>● Q3 submitted on (05/11/2020) 36 days and</li> <li>● Q4 submitted on (25/01/2021) 25 days.</li> </ul> $\frac{28+36+25}{3}$ <p>Average = 30 days (4.2 weeks)</p> <p>The SDDRs were submitted within an average of 1 month (30 days).</p>	Satisfactory	
2	<b>Note: Have you reviewed for accuracy and completeness from the DMO:</b>	a) The Quarterly State Domestic Debt Reports (SDDR) 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
<p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p>	<p>b) IVA reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Abia State Debt Domestic Report along with all underlying data. SDEDR showed N77,592,527,687 while domestic debt as recorded in Q4 2020 SDDR showed N68,787,800,303.50. This leaves a difference of N8,804,727,383.50. The report was supported with the DMO's templates and guidelines.            APA Issue Report has been issued to the State for clarification on the discrepancies.</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> <ol style="list-style-type: none"> <li>1. SDDR Figure: N68,787,800,303.50</li> <li>2. AFS Figure: N/A</li> <li>3. Difference: The following items could not be individually tracked to the AFS:               <ol style="list-style-type: none"> <li>i. CBN Commercial Agric Loan - N1,050,125,890.99</li> <li>ii. Contractors' Arrears - N1,430,722,671</li> <li>iii. Pension and Gratuity Arrears -N23,434,998,420.76</li> <li>iv. Salary Arrears and other staff claims -N64,826,354.58</li> </ol> </li> </ol> <p>f) APA Issue Report has been issued to the state for clarifications on the discrepancies.</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>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>h) The debt stock figures reported in the SDEDR, have been compared with those of the SDDR submissions by the state.</p> <p>i) There are inconsistencies.</p> <p>i. SDEDR (DMO) Figure: N77,592,527,687</p> <p>ii. SDDR (State) Figure: N68,787,800,303.50</p> <p>iii. Difference: N8,804,727,383.50</p> <p>j) APA Issue Report has been issued to the state for clarifications on the discrepancies.</p>		
3	Has the State published online, the State Debt Sustainability Analysis Reports (SDSAR) by 31 December 2020?	<p>a) The State Debt Sustainability Analysis Report (SDSAR) was published on the State's official website.</p> <p>b) Date of publication was: 29<sup>th</sup> December, 2020.</p> <p>c) The SDSAR was published by 31<sup>st</sup> December, 2020. A screenshot of the date of the publication from the IT backend has been obtained and retrained in the assessment file.</p> <p>d) Weblink of publication is: <a href="https://abiastate.gov.ng/wp-content/uploads/2020/12/ABIA-STATE-S-DSA-DEBT-SUSTAINABILITY-TOOLKIT-REPORT.pdf">https://abiastate.gov.ng/wp-content/uploads/2020/12/ABIA-STATE-S-DSA-DEBT-SUSTAINABILITY-TOOLKIT-REPORT.pdf</a></p>	Satisfactory	
4	Does the SDSAR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options, and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	<p>a) Upon review of the State Debt Sustainability Analysis Report (SDSAR), we noted that;</p> <p>1) In the medium-term budget (MTB) forecasts, the presentation and analysis in the entire forecast period contained negative figures for revenue, expenditure, or debt variables which is contrary to the requirement of the DLR</p> <p>2) The description of assumptions underpinning the borrowing options presented in corresponding explanations in writing did not contain Borrowing Sources and Financing Terms</p>	Unsatisfactory	The State should ensure that the SDSAR includes the following: 1) medium-term budget forecasts; 2) a detailed description of the debt portfolio and borrowing options, and 3) an adequate analysis of the debt and fiscal figures in

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>3) The presentation and analysis in the entire forecast period were not of adequate quality because there are negative figures for Debt Stock and Debt Services. Also, the presentation contained contradictory statements which are contrary to the standard of the DLR.</p> <p>b) A review and comparison between the information (figures) contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State Website were done.</p> <p>c) No differences were identified in the two documents.</p>		the preceding calendar year.
<b>DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears</b>				
<b>DLR 8.0</b>	<p><b><u>Basic Target:</u> Domestic arrears as of end 2019 and end 2020 are reported in an online publicly-accessible database, with a verification process in place.</b></p> <p><b><u>Stretch Target:</u> Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with a verification process in place</b></p> <p><b>AND</b></p> <p><b>at least a 5 percent decline in the verified stock of domestic arrears at end 2020</b></p>		<b>Not Achieved</b>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<b>compared to end 2019 consistent with the state's arrears clearance framework or maintain stock below 5 billion.</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) IVA has obtained a copy of the ACF from the State</li> <li>c) The establishment of the ACF did not occur by 31 December 2020.</li> <li>d) The ACF was established in May 2021.</li> </ul>	Unsatisfactory	The State's Arrears Clearance Framework will be assessed in 2021 APA
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<ul style="list-style-type: none"> <li>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</li> <li>b) Section Two of the ACF shows the ACF contains the two stated requirements No other document was submitted by the State to confirm the ACF exists for 2020.</li> </ul>	Satisfactory	
3	Has the ACF been published on a State official website?	<ul style="list-style-type: none"> <li>a) The ACF has been published on a State official website.</li> <li>b) IVA has downloaded a copy for validation.</li> <li>c) The web link of the publication is <a href="https://abiastate.gov.ng/wp-content/uploads/2021/06/Abia-ARF-2021.pdf">https://abiastate.gov.ng/wp-content/uploads/2021/06/Abia-ARF-2021.pdf</a>. It was published on 30<sup>th</sup> June, 2021. A screenshot of the Document property was obtained as evidence of the date of publication.</li> </ul>	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once	The State established the ACF in 2021 and will be used for 2021 APA.	Unsatisfactory	The State should ensure that the clearance of domestic expenditure arrears

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	the ACF has been established?			is consistent with the ACF
5.	Has the State established an Internal Domestic Arrears Database?	<ul style="list-style-type: none"> <li>a) The State has not established an Internal Domestic Arrears Database</li> <li>b) The state did not submit to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)</li> </ul>	Unsatisfactory	<ul style="list-style-type: none"> <li>a) The state should ensure they establish an internal domestic arrears database.</li> <li>b) The Internal Domestic Arrears Database should include aggregate and individual amounts of contractors' arrears; the aggregate amount of pension and gratuity arrears; the aggregate amount of salary arrears and other staff claims</li> </ul>
6	Has the State published online elements of the internal domestic arrears database for the FY <b>2019</b> and FY <b>2020</b> reported on a State official website, which constitutes the online publicly accessible arrears database?	<ul style="list-style-type: none"> <li>a) The State has not published online the required elements of the Internal Domestic Arrears Database as at the end of 2019 and 2020.</li> <li>b) Comparison was not possible since internal domestic arrears database and publicly arrears database were not established by the State.</li> <li>c) The State does not have an online publicly-accessible arrears database, but there is an electronic link on its website that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of</li> </ul>	Unsatisfactory	The State should ensure it publishes online, elements of the Internal domestic arrears database.



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Finance, by filling a confidential form online and attaching supportive evidence of her claim.</p> <p>d) The State did not publish its arrears database online. However, there is a facility for contractors with arrears (creditors) to report any omissions to the State on the state website.</p> <p>e) Acknowledgement was received for a mail sent to the portal for feedback.</p> <p>f) No omission was submitted to the state.</p> <p>g) Weblink to the online publicly accessible arrears database was not made available.</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>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are</p>	The State did not publish its arrears database online.	Unsatisfactory	<p>a) The State should ensure they publish online lists of contractors with recognized arrears exceeding ₦20 million.</p> <p>b) The state should ensure contractors can verify that their claims are accurately reported</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																												
	being accurately reported in the database.																																		
8.	<p>Has the State met the following:</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2020 compared to end 2019 meets target and is consistent with the state's arrears clearance framework.</p> <p><b>-Stretch target:</b> At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion.</p> <p>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.</p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2020</th> <th>2019</th> <th>% diff.</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>NA</td> <td>NA</td> <td></td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>NA</td> <td>NA</td> <td></td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>NA</td> <td>NA</td> <td></td> </tr> <tr> <td>Judgement 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>NA</td> <td>NA</td> <td></td> </tr> </tbody> </table> <p>a. The State did not establish an Internal Domestic Arrears Database, hence the percentage of reduction in arrears between 2019 and 2020 could not be ascertained.</p> $\frac{2019 \text{ Figure (NA)} - 2020 \text{ Figure (NA)}}{2019 \text{ Figure}} \times 100 = ?\%$ <p>The percentage decline cannot be ascertained.</p>				Aggregate Amount of:	2020	2019	% diff.	Contractors Arrears	NA	NA		Pension and Gratuity arrears	NA	NA		Salary arrears and Staff claims	NA	NA		Judgement Debt				Other types of domestic expenditure arrears				<b>Total Domestic Arrears</b>	NA	NA		Unsatisfactory	The State should ensure a reduction of domestic arrears debt stock to below ₦5 billion
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																				
DLR 9.0	<p><b>Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target:</b></p> <p><b>-Basic target: &lt; [150%]</b> <b>-Stretch target: &lt; [125%]</b></p>		<b>Achieved</b> (Basic Target Met)																					
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31<sup>st</sup> December 2020) 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 2020)?</p> <p><b>-Basic target:&lt; [150%]</b> <b>-Stretch target: &lt; [125%]</b></p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p><b>Total Public Debt</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>87,196,819,785.86</td> <td>77,592,527,687.00</td> </tr> <tr> <td>Total External Debts</td> <td>38,037,922,267.79</td> <td>36,877,838,539.00</td> </tr> <tr> <td><b>Total Public Debts</b></td> <td><b>125,234,742,053.65</b></td> <td><b>114,470,366,226.00</b></td> </tr> </tbody> </table> <p><b>Total annual revenue</b></p> <table border="1"> <tbody> <tr> <td>2020 Adjusted IGR (see DLI 4.2)</td> <td>15,876,780,841</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>54,669,652,844</td> </tr> <tr> <td>Grants</td> <td>18,412,978,921</td> </tr> <tr> <td>Other Revenues</td> <td>44,445,339</td> </tr> </tbody> </table>		Financial Statements (₦)	DMO/SDEDR Figures (₦)	Total Domestic Debts	87,196,819,785.86	77,592,527,687.00	Total External Debts	38,037,922,267.79	36,877,838,539.00	<b>Total Public Debts</b>	<b>125,234,742,053.65</b>	<b>114,470,366,226.00</b>	2020 Adjusted IGR (see DLI 4.2)	15,876,780,841	Gross FAAC Allocation	54,669,652,844	Grants	18,412,978,921	Other Revenues	44,445,339	Satisfactory	
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Other Revenues	44,445,339																							

Disbursement Linked Indicators (DLIs) and Tests	Findings		Conclusion	Recommendations		
		<table border="1" data-bbox="663 237 1228 289"> <tr> <td data-bbox="663 237 995 289">Total Revenue</td> <td data-bbox="999 237 1228 289">89,003,857,945</td> </tr> </table> <p data-bbox="663 310 1367 410">a. The State’s domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2020 is as at the end of Q4 2020.</p> <p data-bbox="663 435 1272 500">We have computed the total debts stock / Revenue percentage for the 2020 year as follows:</p> $  \frac{\text{₦114,470,366,226.00} \times 100}{\text{₦89,003,857,945}} = 129\%  $ <p data-bbox="663 659 1220 691">Using the State Audited Financial Statements</p> $  \frac{\text{₦125,234,742,053.65} \times 100}{\text{₦89,003,857,945}} = 140.71  $ <p data-bbox="663 902 1360 1000">The State achieves the basic target with the computation using both the DMO (SDEDR) and the State Audited Financial Statements.</p> <p data-bbox="663 1024 789 1057"><b>Sources:</b></p> <ol data-bbox="663 1068 1339 1243" style="list-style-type: none"> <li>1. For Total Revenue 2020 Audited Financial Statement, pages 15-17 &amp; 28</li> <li>2. For Total Public Debt from DMO* as at December 31, 2020</li> <li>3. NBS/OAGF (FAAC)</li> </ol> <p data-bbox="663 1260 1339 1292">*Table 3(i) below holds a breakdown of the Total Debt.</p> <p data-bbox="663 1300 1356 1432">b. The debt stock stated in the Federal DMO State Domestic, and External Debt Report was not the same as the debt stock stated in the audited financial statement. While the Debt Stock in DMO report was</p>	Total Revenue	89,003,857,945		
Total Revenue	89,003,857,945					

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>₦114,470,366,226.00, the Debt stock stated in the AFS was ₦125,234,742,053.65, showing a difference of ₦10,764,375,827.65.</p> <p><math>(10,764,375,827.65 / 125,234,742,053.65 \times 100)</math> 8.6%</p> <p>c. There are differences identified between States debt figures in the AFS and the DMO adjusted figures.</p> <p>d. The differences have been communicated to the State for an explanation,</p> <p>e. The difference has been calculated in value and percentage terms, ₦10,764,375,827.65, (8.6%) respectively.</p> <p>The SDEDR was not amended and resubmitted to the IVA along with explanations for any changes.</p>		

**TABLE 3(i): DLI 9 31 DECEMBER 2020 STATE DEBT STOCK TABLES FOR ABIA STATE**

<b>ABIA STATE</b>	<b>2020 - AMOUNT (₦)</b>
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,407,336,301.00
BAIL OUT (SALARIES) (SOURCE CBN)	12,732,281,528.00
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	6,117,116,357.00
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,079,302,853.00
STATE BONDS	-
COMMERCIAL BANK LOANS	1,202,051,208.00
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOANS (CBN FACILITIES)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	2,123,891,993.00
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	1,430,722,671.00
PENSION AND GRATUITY ARREARS	23,434,998,421.00
SALARY ARREARS AND OTHER CLAIMS	64,826,355.00
OTHER DEBTS	-
<b>TOTAL DOMESTIC DEBT (TDD)</b>	<b>77,592,527,687.00</b>
TOTAL EXTERNAL DEBT (TED)	36,877,838,539.00
<b>TOTAL PUBLIC DEBT (TED+TDD)</b>	<b>114,470,366,226.00</b>

**TABLE 3(ii): DLI 9 31 DECEMBER 2020 - ADJUSTED REVENUE TABLES FOR ABIA STATE**

TEMPLATE: OPTION A	₦
Item	2020
<b>1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)</b>	<b>54,669,652,844</b>
<b>1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)</b>	<b>40,245,550,969</b>
1.1.1 Gross statutory allocation	30,713,687,700
1.1.2 Derivation	5,000,120,946
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	4,531,742,322
<b>1.2 VAT</b>	<b>14,424,101,876</b>
<b>2. Internally Generated Revenues (IGR) - Adjusted</b>	<b>15,876,780,841</b>
<b>3. Grants (internal and external)</b>	<b>18,412,978,921</b>
<b>4A. Other revenues (4.1 + 4.2 + 4.3)</b>	<b>44,445,339</b>
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	10,388,679
4.3 Miscellaneous	34,056,660
<b>Total Revenues and Grants Calculations</b>	
<b>A) Total Revenues and Grants is (1+2+3+4A)</b>	<b>89,003,857,945</b>

4. **Response from the State**

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p><b>DLI 1.2</b></p> <p><b>2020 Approved Revised Estimates</b></p> <p>Total Expenditure (Budget Size)</p> <p>2020 Revised Estimates- 102,660,432,904</p> <p>2020 Supplementary Budget-- 28 788 751 906 (Details Attached)</p> <p>2020 Revised Amended Budget- 131,449,184,810</p> <p><b>2020 Report of the Accountant-General with Financial Statements:</b></p> <p>Total Expenditures for 2020: (Pg.17) of Financial Statement for the Fiscal Year</p> <p>2020</p> <p>Personnel Cost- 26,273,829,369.13</p> <p>Overhead Cost 15,944,851,449.61</p> <p>Public Debt Charges 19,430,774,255.44</p> <p>Consolidated Revenue Fund Charges@ 8,182,232,496.54</p> <p>BTL Payments 8,734,607,206.04</p> <p>(Details of BTL Payments)- (Pg. 58)</p> <p>Capital Expenditures 35 533 863 436.74</p> <p>Total Expenditure: 114,100,158,413.42</p> <p><b>FY 2020 deviation from total Budget expenditure is less than 15%</b></p> <p>Calculations:=</p>	<p>IVA Notes the State's Response.</p> <p>A copy of the State supplementary budget has been obtained to confirm the basis for the total expenditure figure that was higher than the Revised (Amended) budget.</p>



	<p style="text-align: center;"><u>Total Amended Approved Budget- Total Expenditure for the Fiscal Year</u></p> <p style="text-align: center;">Total Approved Amended Budget</p> $\frac{131,449,184,810 - 114,100,158,413}{131,449,184,810} \times 100 = 17.34902639658\%$ $\frac{131,449,184,810}{131,449,422,714} = 0.13 \times 100 = 13\%$ <p>13% &lt; 15% deviation from Total Amended Budget</p> <p><b>Attachment:</b></p> <ol style="list-style-type: none"> <li>1. World Bank IVA Definition of DL1.2 Achievement</li> <li>2. Extract of 2020 Approved Revised Estimates Consolidate Budget Summary</li> <li>3. Details of 2020 Approved Supplementary Estimates</li> <li>4. Extract of Details of 2020 Actual Expenditures of Audited Financial Statements</li> </ol>	
2	<p><b>DLI 5.1 Decrease in staff strength and increase in staff costs</b></p> <p><b>Decrease in Staff Strength</b></p> <ul style="list-style-type: none"> <li>- Mass Retirement from Staff Payroll: Decrease in staff strength was occasioned by mass retirement of civil servants inherited from old Imo State as many of them were due for retirement within the year (2020) under assessment.</li> <li>- Regular Biometric Verification Exercises to expunge ghost workers Regular biometric verification exercise was carried out in the year under review to expunge ghost workers in the payroll. This further depleted the state staff strength</li> <li>- Exit of Political Appointees from Payroll: Many Political Appointees exited the nominal/payroll after they have served out their tenures from all the LGAs.</li> <li>- Death of Staff across MDAs Significant number of deaths were recorded among the state civil servants within the year under review</li> </ul>	The State's response is noted and included in the report.

	<p><b>Increase in Staff Costs</b></p> <ul style="list-style-type: none"> <li>- Minimum Wage Implementation: The implementation of Minimum Wage resulted in increase in State wage bill hence increase in Staff Costs.</li> <li>- Payment of Promotion Arrears Government also embarked on payment of promotion arrears</li> </ul> <p><b>DLI 5.2</b></p> <p><b>Decrease in Staff Strength</b></p> <ul style="list-style-type: none"> <li>- Biometric Verification Exercises to expunge ghost pensioners and pay roll fraud were carried out Biometric verification exercise of pensioners were carried out in the year under review to expunge ghost pensioners in the payroll. This further depleted the state staff strength. Some of the discoveries made in the course of the exercise includes: <ul style="list-style-type: none"> <li>- Duplications: It was observed that a number of Names, Account Numbers and BVNs had duplicates.</li> <li>- Mismatches: A number of names did not match with the account number and BVN attached to them.</li> <li>- Irregular Differences: Instances were a particular name records different account numbers, same BVN with a particular gross payment (in some cases, the gross payment is not the same)</li> <li>- Non-existing, Incorrect and Incomplete account numbers.</li> <li>- Non-existing, Incorrect and Incomplete Bank Verification Numbers</li> <li>- Non-inclusion of Bank Verification Numbers.</li> </ul> </li> </ul> <p>Death of Many pensioners were discovered during the verification exercise Significant number of deaths were discovered among the pensioners within the year under review</p> <p><b>Increase in Staff Costs</b></p> <ul style="list-style-type: none"> <li>- Corresponding increase in the retirement arising from retirees from Imo state further resulted in upsurge in the pension wage bill.</li> </ul>	
3	<p><b>DLI 6.2</b></p> <ol style="list-style-type: none"> <li>1. Contract Award Publication for all awards using the e-Procurement system can be accessed via this link:</li> </ol>	The State's response is noted.

	<p><a href="https://abiaprocurement.ab.gov.ng/award_publication.php">https://abiaprocurement.ab.gov.ng/award_publication.php</a></p> <ol style="list-style-type: none"><li>2. Filter the page using "electronicSubmission" as keyword to get all electronic awards.</li><li>3. Click any of the "Award Title" to view all details of the procurement from Planning, Tender, to Award.</li></ol>	<p>However, the response did not address the issue raised for clarification. Details have been provided in the report.</p>
4		