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

2019 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 JK Consulting Co. Ltd

November 2020

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1   Executive Summary

This report details the outcome of the Annual Performance Assessment (APA) conducted on Abia State for the 2019 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 2019 APA for Abia State and shows areas where the State was able to achieve results. In total, Abia State achieved **7 (Seven)** DLRs out of 15 DLRs applicable to 2019 while one (1) DLR was achieved in 2018. Two of the achieved DLRs were due for assessment during the 2020 APA but have been assessed early as requested by the Programme.

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

1. <u>DLR 1.1:</u> The State should ensure all quarterly budget implementation reports are published within six weeks of the end of each quarter. Budget implementation reports should include, at a minimum, the approved budget appropriation for the year for each organizational unit (MDAs), and for each of the core economic classifications of expenditure (Personnel, Overheads, Capital, and Other expenditures) and the actual expenditures for the quarter attributed to each MDA.
2. <u>DLR 3.0:</u> Develop a functional State-level TSA where all Government revenues are all credited into before expenditure. Formally approve a cash management strategy and increase the percentage of state government finances flowing through the TSA to at the least the minimum required to achieve this result.
3. <u>DLR 4.2:</u> Increase its IGR revenue to achieve a minimum of 20% nominal annual growth rate.
4. <u>DLR 5.1:</u> Biometric data of all the State's civil servants is captured and linked with the State's payroll to reduce fraud.
5. <u>DLR 6.2:</u> Publish contract award information, above the set threshold, and on a monthly basis in OCDS format on the State's website.
6. <u>DLR 7.</u>1: The State Debt legislation should be amended to include an explicit provision that details the responsibilities for contracting state debt.
7. <u>DLR 8</u>: A Domestic Arrears Clearance Framework (ACF) is established and an internal domestic arrears database with relevant balances placed online through a publicly accessible portal. Domestic arrears are cleared year on year to achieve total reductions in arrears in line with the targets set for this DLR).

Furthermore, we noted a difference N6,521,645,218.00 between the Total Public Debts (Domestic and External debt) of N97,326,263,203.59 reported in the State's Audited Financial Statements 2019 and the Total Public Debt of N103, 847,908,421.59 reported by the Federal Debt Management Office (DMO) in its Debt report for 2019. We also compared the Debt balances obtained from the DMO, CBN and FMOF with State Domestic Debt balances submitted to the DMO for 2019 and noted a difference of N5,528,816,090 between the State Domestic Debt balance of N74,291,190,844 reported by CBN in its State Debt data 2018- 2019 and the State Domestic Debt of N68,762,374,754 reported by the DMO on behalf of the State in its Debt report for 2019.

Table 1: Assessment Results

Key:	Achieved		Not Achieved		Prev. Achieved	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY19 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		The State published the reports in an average of 17.9 weeks.
	DLR 1.2: FY19 deviation for total budget expenditure is < 25%		The budget expenditure deviation was 16%.
	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2020 budget.		Citizens' inputs from formal public consultations were

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 2: Increased openness and citizens' engagement in the budget process		🟩	published online on 27th December 2019.
	DLR 2.2: Citizens' budget based on approved FY19 State budget published online by end April 2019.	🟩	Citizens' budget based on approved FY19 State budget was published online in February 2019.
DLI 3: Improved cash management and reduced revenue leakages through implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 60 percent of state government finances implementation of State TSA		The State did not have a functional TSA or a Cash Management Strategy
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	🟩	This is a 2020 APA result assessed early. All requirements were met.
	DLR 4.2: 2019-2018 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more		The IGR declined by 2%
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 75 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		The State has not conducted a Biometric exercise for its Current Civil servants
	DLR 5.2: Link BVN data to at least 75 percent of current civil servants and pensioners on the payroll and payroll fraud addressed	🟩	98% BVN data of the State' civil servants and pensioners were linked to payroll.
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency; and 3) Cover all MDAs receiving funds from the state budget.	🟦	Previously Achieved in 2018
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the state website		Contract awards were not published online on the State website in OCDS format as at 31 December 2019. The online publication was on 17th April 2020.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		This is a 2020 APA result assessed early. The State Debt legislation should be amended to include an explicit provision that details the responsibilities for contracting state debt.
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2019	🟩	Quarterly Debt reports were accepted by DMO on average 3.86 weeks, after the end of the quarter
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established **and** Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.		State has no Arrears Clearance Framework and has not established an Internal Domestic Arrears Database
DLI 9: Improved debt sustainability	Total debt stock at end of December 2019 as a share of total revenue for FY2019 meets target: Basic target: < 140%, Stretch target: < 115% and Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2019.	**Basic target achieved**	The State's Debt to Revenue ratio was 132.82% and the percentage of the State's Average Monthly Debt Service

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
			deduction to Gross FAAC allocation was 12.5%

The Office of the Auditor-General for the Federation as Independent Verification Agent and JK Consulting Co. Ltd agree on all the results shown in this report.

1. Introduction

1.1 Overview

The Federal Government of Nigeria is implementing a four-year program to support Nigerian States to strengthen fiscal performance and sustainability: The State Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results ("The Program"). In each of the four years, the Program will finance activities under two components: (i) a Program for Results (PforR) component in the amount of US$700 million and (ii) a Technical Assistance (TA) component in the amount of US$50 million. All States are able to 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 JK Consulting Co. Ltd 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 2019. To ensure a high-quality assessment, the IVA engaged the services of experts in Taxation, Procurement and Debt Management laws to review the legislation in place at each State.

1.2 Scope

This Annual Performance Assessment (APA) Report covers the State's performance in 2019 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 2019 APA. The results of the eligibility assessment were reported previously to each state, and are included in Appendix A.

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 on the protocol for 2019. 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 24/08/2020 and 28/08/2020 with a team of Four 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/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 and JK Consulting Co. Ltd are grateful to the States for the cooperation enjoyed during the assessment and hope the recommendations within this Report are found valuable towards achieving the DLRs in the remaining years of the Program.

2. Assessment Results

2.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	**Financial Year [2019] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management**		**Not Achieved**	
1	Has the State published its quarterly budget implementation report to the State official website on average within six weeks of the end of each quarter?	(a) A search for quarterly budget implementation reports was done on the State's official website: (https://abiastate.gov.ng/2019-report/) (a) Quarterly budget implementation reports were downloaded from the State official website: (https://abiastate.gov.ng/2019-report/). (b) The copy of quarterly budget implementation report downloaded was compared with copy presented by the State (copy retained). (c) There is no discrepancy between the downloaded copy and copies provided). The Quarterly budget Implementation Reports were posted online on (https://abiastate.gov.ng/2019-report/) as follows: (a) Q1 – (November 29, 2019)- 243 days (b) Q2 – (November 29, 2019)- 152 days	Unsatisfactory	The State should ensure all quarterly implementation reports are published within six weeks of the end of each quarter.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		(c) Q3 – (November 29, 2019) - 60 days		
		(d) Q4 – (February 14, 2020) - 45 days		
		The average number weeks for the online publication is computed as below:		
		Q1+Q2+Q3+Q4 4		
		34.7+21.7+8.6+6.4 4 = 17.9 weeks		
		The State posted its Quarterly Budget Implementation Report on its website within an average of 18 weeks.		
		The above dates of postings were confirmed with the IT service provider at the State. In addition, screen shots indicating time stamp of publications were obtained from IT service provider and retained in the assessment file, and Quarterly budget implementation reports were downloaded for all quarters.		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative	From our review of the Quarterly Budget Implementation reports downloaded from the State's website, we observed following: • The budget implementation reports include approved budget for the year against each organizational unit for the core economic classifications of expenditure. • Budget implementation reports did not include actual expenditures for the quarter but was prepared on cumulative basis. • Budget implementation reports include balances against each revenue and expenditure appropriations. • The State has a no revised budget for the year.	Unsatisfactory	The State should ensure the reports include the actual expenditures for the quarter, attributed to each MDA. The State should also ensure the reports include the revised budget appropriation (if applicable) for the year against each organizational unit

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	expenditures for year to date, and balances against each of the revenue and expenditure appropriations.	• The budget implementation reports showed approved original budget only. The reports include the approved budget appropriation for the year for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others); and the balances against each of the revenue and expenditure appropriations but does not include the actual expenditures for the quarter. See weblinks (https://abiastate.gov.ng/2019-report)		(MDAs) for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others).
3	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 year to date?	Upon review of the State's Budget Performance reports, it did not state the actual expenditures for each quarter attributed to each MDA and each expenditure classification but was prepared on Cumulative basis.	Unsatisfactory	The State should ensure the reports state the actual expenditures for each MDA and each expenditure classification.
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 states the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications without balances for the current quarter. However, it does not indicate Other expenditures.	Unsatisfactory	The State should prepare Budget implementation reports that 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.
DLR 1.2	**FY [2019] deviation from total budget expenditure is less than 25%**		**Achieved**	
1	Has the State computed the difference between the original	The State computed the budget deviation for 2019 to be 19%	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 25%	The IVA computed the budget deviation for this APA year. See the computation below: <table><tr><td></td><td>**Original Budget**</td><td>**Actual Outturn**</td></tr><tr><td>Capital (pg 29)</td><td>71,700,020,000</td><td>46,603,225,240.76</td></tr><tr><td>Rec. Exp (pg 28)</td><td>68,780,101,290</td><td>71,365,445,495.78</td></tr><tr><td>**Total**</td><td>**140,480,121,290**</td><td>**117,968,670,735**</td></tr></table> $$\frac{140{,}480{,}121{,}290 - 117{,}968{,}670{,}736 \times 100}{140{,}480{,}121{,}290}$$ = 16% The budget performance deviation was 16% **Source:** Financial Year 2019 Audited Financial Statements (Pages: 28 & 29) and Approved Budget Expenditure and Actual Expenditure (Pages 45 & 49). The State adopted IPSAS Cash basis of Accounting and has prepared its Financial Statements in line with IPSAS Cash. Note that the total recurrent expenditure on Pg 15 of the AFS differs from Pg 28 and 29 of the AFS used in the calculation. Using Pg 15 figure would not change the assessment. An issue report was earlier raised on the different figures for recurrent expenditure as contained in pages 15 (67,166,157,228.67) and 28 (71,365,445,495.78) of the AFS. The State explained that the information in page 15 presented Below -The -Line payments differently while the actual total recurrent expenditure in page 29 added the BTL payments. Besides, page 15 is a consolidated financial summary while page 28 contains statement of consolidated revenue fund, which has a more reliable information. The line payments component (N4,199,288,267.11) shown in the consolidated financial summary, page 15 of AFS is relevant.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2020] budget		**Achieved**	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with participation of local government authorities and State-based CSOs?	Abia State conducted town hall meetings in about 33 LGAs under the 3 senatorial districts of the State with the participation of Local Government Authorities and State based CSOs. The 3 senatorial districts and LGAs are as follows: **ABIA CENTRAL**: **DATE HELD** OBOHIA-IBERE-IKWUANO - 23-09-2019 OBUZOR-OSISIOMA-NGWA - 24-09-2019 AZUNCHAI-EKPIRI-IKWUANO - 24-09-2019 EZIAMA-NTIGHA - 25-09-2019 LODU-NDUME-IBEKU - 25-09-2019 IPUPE-UBAKALA - 25-09-2019 IHIE-ISIALANGWA-NORTH - UNABLE TO OPEN EHINA-UGURU-ISIALA-NGWA-SOUTH- 26-09-2019 UMUOGELE-NTIGHA - - 23-09-2019 UMUDA-OKPUALA-ISINGWU - 26-09-2019 **ABIA SOUTH:** **DATE HELD** UMUOGELE-ABA-SOUTH - 21-08-2019 EZIUKWU-ABA-SOUTH - 26-09-2019 OBOHIA-UKWA-EAST - - 26-09-2019 ELU-OHAZU-ABA-SOUTH - 24-09-2019 IHIE-IYI-UGWUNAGBO - - 25-09-2019 UMUOUFO-OSUSU-OBINGWA - 26-09-2019 UMUOBIAKWA-ISIALA-UKU-OBINGWA 24-09-2019 AKIRIKA-UKU-UKWA-EAST - 24-09-2019 NGWAOMA-OSUSU-UMUELENDU-UGWUNAGBO - 26-09-2019	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

	UMUIKU-UKO-UKWA-WEST - 25-09-2019
	ISIALA-ASAOKPUAJA-ABA-SOUTH 29-08-2019
	
	ABIA NORTH: **DATE HELD**
	AMALATOR-UKWU - - 21-09-2019
	IBINAUKWU-IGBERE - - 22-09-2019
	EZIAMA-AMAHIA-BA-NORTH - 24-09-2019
	NDI-UKPAI-NDI-IBE - - 24-09-2019
	UMUOGOR-OSOKE - - 24-09-2019
	EZERE-ISUIKWUATO - - 25-09-2019
	OVIM-ISUIKWUATO - - 25-09-2019
	AMANTA-OHAFIA - - 24-09-2019
	UMU-OBUTU - - UNABLE TO OPEN
	NDIELU-UGWUEKE - - 25-09-2019
	OBIEZE-ISU-AROCHUKWU - 22-09-2019
	OVUKWU-AHUMA-NDI-OJI-ABAM 24-09-2019
	
	a) The team obtained and reviewed the Minutes of Public consultation for the 2020 Proposed budget. Some of the LGAs that were in attendance were, Eziama Amahia, Aba North, Umouhia Abia Central, Ezere Isuikwuato LGA, Abia North, Umuogele Ntigha, Abia Central, Ipupe- Ubakala, Abia Central, Ngwaoma Osusu, Abia South, Elu – Ohazu, Abia South, Umuobiakwa Obingwa, Abia South, Ndi Ukpai, Abia North.
	
	b) Some of the CSOs in attendance were:
	  i. Reigners Theology charity Org.
	 ii. Rural Planners
	iii. Youth Emancipation
	 iv. Centre for Human Advocacy & Wholesome Society
	  v. Divine Guidance to Education
	 vi. CEHRAWS
	vii. Women Making a Difference International
	viii. LEPMAAS
	 ix. IVORY		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		x. People Living Healthy Org. xi. Centre for Human Protection xii. PLAC xiii. CESAR xiv. Rural Transformation & Dev. Org xv. Comfort Restoration Foundation xvi. Public Enlightenment Projects xvii. Open Government Partnership (OGP) c) The above information was drawn from the Minutes of Public consultation, Attendance list, Pictures and Videos obtained from the State. d) Public consultations were held in about 33 LGAs, within 3 Senatorial Districts at several dates in September 2019. e) The team sampled 10 attendees from the attendance list for the public consultations held and called them to confirm their attendance at the public consultation. f) The FY 2020 Approved Budget was drafted on 18th November 2019. g) The team sampled 10 out of the 33 LGAs listed above and confirmed that public consultations were held in each of the LGAs before the Proposed budget was drafted on the 18th November 2019.		
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 2020 to enable citizens to find the inputs easily?	The minutes of the public consultation meetings was jointly prepared with CSO representatives as evidenced by their signatures to the minutes posted on the official state website. The date of publication was confirmed as December 27, 2019. Screenshots showing the date publication was obtained and retained. a) One of the CSOs in participation was Reigners Theology Charity Org. b) The title of the Minutes of Public Consultation is "Abia State Community needs identification" done on the 24th September 2019. c) The State website is www.abiastate.gov.ng/	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		d) See Appendix A for weblinks to the proposed/final budget		
DLR 2.2 New	Citizens' budget based on approved FY19 State budget published online by end April 2019.		Achieved	
1 New	Has the State published online, on the State website(s) a Citizens Budget based on the approved FY19 state budget not later than 30 April 2019?	The Citizens budget based on approved FY19 state budget was published before the due date in February 2019 on the State's website (www.abiastate.gov.ng/). The team obtained screenshots from the back end of the State's website which showed that the Citizens budget was published in February 2019. The Citizens budget 2019 was accessed on (25/08/2020).	Satisfactory	

2 New	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY19 state budget?	We confirmed that the Citizens budget summarizes in a comprehensible manner to citizens the approved FY19 State budget. It accurately includes the key budget information from the original budget, including the following:
		
		(a) The Citizens Budget was compared with the format suggested to the State as at 2019 and it conformed as follows:
		   i. A simple explanation of the annual budget/citizen's budge was provided in page 331 and 332
		   ii. Breakdown of revenues and expenditures was stated in pages 336 and 341
		   iii. Disclosure of Budget deficit (if any) and how it will be financed, as provided in pages 335, 340 341 and 343
		   iv. Sectoral Allocation (MDAs by MDAs) was presented in page 334
		   v. Top Projects to be financed was shown in page 338 of the State's FY 2019 Citizens Budget.
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	**Improved cash management and reduced revenue leakages through implementation of State TSA**		**Not Achieved**	
1	Has the State established a functional State-level TSA?	a) The state is yet to establish a functional state-level TSA.	Unsatisfactory	The State should establish a functional TSA.
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.	b) The State has no approved cash management strategy in place.	Unsatisfactory	The State should implement an approved cash management strategy which covers the processes through which the State is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.
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)?	a) The State has no system that allows for a central view of cash balances in the State bank accounts on a single electronic dashboard.	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.
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs	a) The State is yet to establish a functional TSA.	Unsatisfactory	The State's TSA should have one consolidated revenue treasury account for state

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.			revenues (FAAC and IGR).
5	Does the TSA cover a minimum of 60% of the State Government's finances?	As there was no TSA, 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 2019. See the computation template below: The average percentage coverage is: = 0% The TSA covered 0 % of the State's finances. The State did not report the annual Outflow (Actual Expenditure) in its Budget Implementation reports for the FY 2019. Therefore, the required information for comparison is not available. **Source:** 2019 Audited Financial Statements (Cash flow Statement) Pg. 26 and the TSA Bank Statement was not provided by the State to enable the team to obtain the Nominator(figures) for the above computation.	Unsatisfactory	The State's TSA should cover all of the Government's Finances, and at least the minimum required for the achievement of this result.

Computation template (within Findings of row 5):

	Total Inflows	Total Outflows
TSA Bank Statement (a)	0	0
Government Finances (b)	₦78,373,135,178.79	₦57,330,939,841
Percentage (a/b*100)	0%	0%

DLI 4: Strengthened Internally Generated Revenue (IGR) Collection

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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**		**Achieved**	This is a 2020 APA result which has been assessed early as requested by the Programme.
1	Does the State have up-to-date consolidated revenue code which includes all the State's IGR sources and all the local governments (falling under that State) IGR sources?	a) Abia State Tax (Codification and Consolidation) law 2020, law No.7 of 2020" was passed by the State House of Assembly under the signature of the Clerk Mr. John Pedro Nnamdi Irokansi (KSJI) and assented by the State Governor Mr. Okezie Victor Ikpeazu on the 26th August 2020. Also, Abia State Tax (Codification and Consolidation) (Amendment No.1) Law, 2020, law No. 8 of 2020 was passed by the State House of Assembly by the Clerk Mr. John Pedro Nnamdi Irokansi (KSJI) and assented by the State Governor Mr. Okezie Victor Ikpeazu on the 29TH September 2020. b) The State's revenue code contains only one law. c) The State's Revenue code was approved on the 26th August 2020 and further amended on the 29TH September 2020. d) The State website is www.abiastate.gov.ng/ e) The State's Revenue code includes taxes, levies, fees to be collected by the State Government and LGAs as seen in Sec 13 (First Schedule of the State's Tax (Codification and Consolidation) law 2020. It also includes Presumptive taxes seen in Sec 52 (Fifth Schedule), the State Physical Planning and Infrastructural Development Fund (Approved Rates for Annual Infrastructural Development levy and the State Environmental protection Agency (Rates for Monthly	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Sanitation levies) as seen in Sec 48 (Sixth Schedule) of the State's Tax (Codification and Consolidated) Law 2020. Although, schedules (1 & 2) as seen in section 13 and 48 respectively did not include rates chargeable for revenue source, the State's Tax (Codification and Consolidation) (Amendment No.1) Law, 2020, law No. 8 of 2020 includes rates chargeable for each revenue source identified. f) The State's Tax (Codification and Consolidation) (Amendment No.1) Law, 2020, law No. 8 of 2020 includes revenue sources (Schedules of taxes, levies, fees, and charges) including applicable rates for all revenue sources identified for the State and Local government including revenue sources and rates for MDAs. The law reviewed by the Tax consultant were: 1. The Abia State Tax (codification and consolidation) law 2020. Law No. 7 of 2020. 2. Abia State Tax (Codification and Consolidation) Law No. 8 2020		
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?	a) Sec 56 of the State's Tax (Codification and Consolidated) Law 2020 states that the State's "Service shall be the sole authority to collect and account for all Taxes, Fees. Charges and Rates in the State as listed in the First, Second and Fifth Schedules to this law". b) The State's law meets the tests that the State's Revenue Service is the SOLE collector of all state Revenue and accounts for the collections. It provides for a central revenue account and banks and while banning all cash collections. It provides for an electronic collection system designed and implemented by the SIRS.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Is the collection of revenues is made into accounts(s) nominated by the SBIR OR SBIR has full oversight of the accounts and is responsible for reporting and accounting for the revenues	a) Sec 57 of the State's Tax (Codification and Consolidated) Law 2020 states that "All persons to whom this law applies shall pay into the State Internally Generated Revenue (IGR) Account, all taxes, levies, fees, charges and rates as prescribed in the First, Second and Fifth Schedules to this law'' b) The team confirmed that, the State has full oversight of the accounts used in collection of State revenue. The team obtained some of the State's Bank Statements and confirmed that collection of revenue was made into accounts maintained by the SBIR. c) The team also confirmed that, the SBIR/SIRS has full oversight of accounts used for revenue collection. The team obtained and reviewed the State's Bank statements and a letter from the State Accountant General to the Chairman SBIR on the lodgement of State IGR in the newly designated and approved Lead Bank account (Zenith Bank).	Satisfactory	
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 year, up to 31 December 2020.	d) The State's Revenue code was approved on the 26TH August 2020 and was later amended on the 29th September 2020.	Satisfactory	
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	a) The team visited the State's website and was able to sight and download a copy of the State's Tax (Codification and Consolidated) Law 2020. A copy of the law and evidences of timestamps of publication were retained.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		b) The team accessed the State website on the 29th August 2020 at exactly 1:18pm. c) The State website is www.abiastate.gov.ng/					
DLR 4.2	**Annual nominal IGR growth rate meets target**					**Not Achieved**	
1	Has the 2019-2018 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20%-39% Stretch Target: 40% or more	a) The State is presently accounting for and reporting all State's revenue on cash basis. c) The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below: d)				Unsatisfactory	The State should improve on their IGR collection to at least achieve a 20% annual growth rate as the minimum required for this result.

	NGN	NGN	% GROWTH
Item	**2018**	**2019**	
1. Reported IGR in AFS (Before Adjustments)	15,830,928,367.24	15,499,929,260.76	**-2%**
2. INVALID items to be deducted IF reported as part of IGR	161,234,926.79	86,098,571.35	
Miscellaneous	42,000,119.54	78,924,661.66	
Investment Income	7,787,507.20	7,173,909.69	
Interest Earned	111,447,300.25		
3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)			

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	15,669,693,440.25	15,413,830,689.41	**-2%**		

*The Miscellaneous figure was not broken down in the Notes to the Accounts of the State's AFS 2018 and 2019.

$$\frac{15,413,830,689.71 - 15,669,693,440.25}{15,669,693,440.25} \times 100$$

$$= -2\%$$

There was a decline in IGR by 2%

Source: Audited Financial Statement for both 2018 and 2019 on Statement No 3 seen on pages 25 & 27 of the Notes to the Accounts of the AFS 2018 and page 30 of the Notes to the Accounts of the AFS 2019.

DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud							
DLR 5.1	**Biometric capture of at least [75] 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	The State is yet to conduct biometric data capturing for its Civil servants. The State claimed that they had new intakes following a biometric exercise, it claimed to have conducted in 2016 and that				Unsatisfactory	The State should ensure biometric capture and linkage to payroll for all

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
for 75% of the current civil servants and pensioners on the State payroll?	these were captured in phases till December 2019. However, the team was not provided with evidence to validate the claim or any information on biometrics for Civil servants. The team was unable to obtain information about the State Consultant. Biometrics capturing for pensioners commenced in 2016 till date. The team obtained a report from the State payroll showing the following: a) The total no of civil servants as 19,512 as at Dec 2019 b) The total no of pensioners as 7231 as at Dec 2019 c) The total no of staff on the State Nominal roll was 28,652, the numbers of Civil Servants on State nominal roll was 20,292 while the numbers of pensioners on State nominal roll was 8,360 as at Dec 2019. d) The State was unable to provide biometrics information for its Civil Servants, the State explained that it conducted biometrics for its current Civil servants. However, their Consultant left with their server and biometric data. The number of Pensioners that were captured on biometrics is 7231. e) The team sighted/obtained the following documents: 　i. The nominal roll for all state Civil servants. 　ii. The nominal roll for all state pensioners. 　iii. A report on actions taken to remove ghost workers and ghost pensioners as at May 2019. 　iv. A report extracted from the State Payroll on the number of civil servants and pensioners for which biometric data or BVN numbers were linked to payroll. $$= \frac{7{,}231}{8{,}360} \times 100$$ $$= 86.49\%$$ The State has captured 86.49% of the current pensioners.		of its civil servants and pensioners, and at least to the level required for the achievement of this result

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The calculation does not include the civil servants as the state did not provide biometric database of civil servants.		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	a) The State commenced and finished the linkage of the biometric data of its Pensioners to the payroll in 2016 b) The State has linked 7,231 of its pensioners to payroll. The State is yet to conduct biometric capturing for its current Civil servants. c) A report on actions taken to remove ghost workers and ghost pensioners as at May 2019, shows that the number of ghost workers and ghost pensioners detected during linkage of biometrics data to payroll were 780 and 1,129 respectively. Though, the date they were identified was not clearly stated in the report, from the report made available to the team, they were removed in May 2019. d) The team computed the difference between the payroll figure before the removal of ghost pensioners of N542,352,493.20 and the payroll figure after the removal of ghost pensioners of N515,325,386.76 giving a savings as N27,027,106.44. e) The State claimed that they had new intakes following the last biometric exercise in 2016 and that these were captured in phases till December 2019. However, the team was not provided with evidence to validate the claim. f) Same as above.	Unsatisfactory	The State should conduct biometric exercise for its Civil servants and ensure that data from the State's biometric exercise is linked with payroll.
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	A report on actions taken to remove ghost workers and ghost pensioners as at May 2019, shows that the number of ghost workers and ghost pensioners detected during linkage of biometrics data to payroll were 780 and 1,129 respectively. Though, the date they were identified was not clearly stated in the report, from the report made available to the team, they were removed in May 2019. a) The State maintains a record for all Ghost workers identified. b) The State did not provide information about the date the identified ghost workers were removed.	Unsatisfactory	The State should complete the process of capturing all civil servants in the State and linking their biometric data to the payroll to identify ghost workers.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		c) The payroll figure prior their removal from payroll was ₦ 542,352,493.20 d) The payroll figure after the ghost workers have been removed was N515,325,386.76 The information from above were gotten from a Report on actions taken to remove ghost workers and ghost pensioners as at May 2019 and a Report from the State Payroll on the number of Civil Servants and Pensioners for which Biometric data and/BVN numbers were linked to Payroll as at December 31, 2019 obtained from the State.		
5.2	**Link BVN data to at least [75] percent of current civil servants and pensioners on the payroll and payroll fraud addressed**		**Achieved**	
1	Has the State linked the Bank Verification Number data to 75% of its current Civil Servants and pensioners on the State payroll?	A report from the state payroll on the number of civil servants and pensioners for which biometric and BVN were linked to payroll as at December 2019" shows the exercise was concluded as at December 2019. Information on whether the state outsourced to Consultant was not provided. a) The total numbers of Pensioners whose BVN data has been linked to payroll was 7,231. b) The total numbers of Civil servants whose BVN data has been linked to the payroll was 18,995. c) The team obtained the following documents: i. A report on actions taken to remove ghost workers and ghost pensioners as at May 2019. ii. A report extracted from the State Payroll on the number of civil servants and pensioners for which biometric data or BVN numbers are linked to payroll. = $\frac{26,226}{26,743}$ x 100 = 98 %	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The State has linked 98% of the State' civil servants and pensioners BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	a) The numbers of Civil servants with BVN data were 18,995 while the number of Civil servants without BVN data were 517. The number of Pensioners with BVN data were 7,231 while the number of pensioners without BVN were Nil. b) The State maintains a record for all Ghost workers identified. c) The team obtained a report on actions taken to remove ghost workers and ghost pensioners as at May 2019, were it was stated the numbers of ghost workers identified. However, the team could not ascertain the date/month the ghost pensioners were identified as this was not stated in the report. d) The payroll figure prior the fraud identification was ₦1,386,906,061.40. e) The payroll figure after the fraud has been dealt with and removed for further payments was ₦1,359,728,748.40. f) The above information was sourced from a report on actions taken to remove ghost workers and ghost pensioners as at May 2019.	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	**Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget**		**Previously Achieved in 2018 APA**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Does the State have a public procurement legal framework which must be approved by the State legislature to have a legal basis, either as a law or a resolution?	Please see the 2018 APA Report		
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.	Please see the 2018 APA Report		
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?	Please see the 2018 APA Report		
DLR 6.2	**Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on [the State website/on the online portal]**		**Not Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2019) that are above the threshold (as defined in the State procurement law or in the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS).	a) The team was provided with a database of all contracts awarded during the year under assessment above the threshold of ₦50,000,000 set by the State for 2017, 2018 and 2019. b) The contract award data published on the State's website is partially in line with the Open Contracting Data Standards (OCDS). c) The date of publication of the Contracting database on the State's website could not be confirmed. The State Focal person and Special Advisor to the Governor on SFTAS explained that the State contracted a firm to establish an Open Contracting portal and publish its procurement information online on the portal, which was then brought into the States website. The State further explained that it cannot confirm the actual dates of publication of the State's contracting database as it was published by a 3rd party firm. The date the State brought in the portal into its website was on the 17th April 2020, a screenshot of the timestamp taken from the back end of the State's website was obtained and retained. d) The publication was sourced from the State's Open Procurement portal www. abiastate.gov.ng/ocds/ e) The State has established online an Open contracting data portal where it published contract award information of contracts awarded above the threshold of ₦50,000,000 for 2017, 2018 and 2019. The team observed that the Open Contracting portal displays a menu for Planning, Tender, Award, Contract. The implementation segment of the projects is viewed from the "monitored projects" icon. Under the planning menu, it shows the Contract Amount and currency, under Tender it shows the Procurement method and Category, under Award it shows the Contract Amount and suppliers/Contractor's name and under Contract it shows the Status, currency and amount. Under the monitored projects, it	Unsatisfactory	State should adopt the OCDS and publish contract award information online as required under the standard

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	promises to give progress update of different contracts awarded in the State.

An attempt was made to pull up projects awarded for the Ministries of Agriculture, Education, Environment, Works and Government House; no projects were seen for any of these MDAs for any of the years covered by the database. The IVA is of the view that the portal is work in progress and is yet to be properly deployed. We understand there was another website where information was earlier published, but were unable to see evidence of this for assessment

The database of contract awards from the State's website shows the following:
i. Title of the Contract
ii. Contract Amount
iii. Contractor's name
iv. Year
v. Name of the MDA

However, the database does not display the following details:
i. The Address of Contractors
ii. Contractor 's contact information
iii. Award Criteria/ Basis of award
iv. Contract period/Duration
v. Commencement date/ Award date (This was shown as N/A)
vi. Amendments to the award of contract | | |
| **DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework** | | | |
| **DLR 7.1** | **State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for** | **Not Achieved** | |

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	recording/reporting state debt; and 3) fiscal and debt rules/limits.			
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?	a) The State has provided copies of their approved state-level public debt legislation. b) Abia State Debt Management Office Law, 2020; was passed on 26th August 2020, in addition to Abia State Fiscal Responsibility Law, 2012.	Satisfactory	
2	Does the legislation include provisions which establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.	Part II 3(1-5) of Abia State Debt Management Office Law, 2020; provides for the creation of the State's Debt Management Office responsible for negotiating, managing, and recording debt operations, including other advisory roles, among other functions. **Responsibilities for contracting state debt** - About the requirement for the State's Debt law to include the "Responsibilities for contracting state debt", Part V Section 21(1) states that, "the House shall by Resolution, from time to time, approve by the standard terms and conditions for the negotiation and acceptance of external House and issuance of guarantees" and Part V Section 21(2) states that "No agreement in respect of which the approval of the House is required shall come into operation without such approval". Furthermore, the Abia State DMO Law (2020) Part V (14) (1a-b) empowers the Commissioner with the responsibility of contracting State's debts by advising the State on contractual debt obligations, subject to the approval of the House of Assembly (part V (21) (1-2).	Unsatisfactory	The State Debt legislation should be amended to include an explicit provision that details the responsibilities for contracting state debt.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	Similarly, Part V (15)(1) vests with the Executive Governor, the power to set the limits and conditions for the State's contractual debt obligations, subject to the approval of the State House of Assembly.		
	In addition, Part II (4) (h-j) has given the DMO the authority to submit to the Commissioner for considerations in the annual budgets, a forecast of borrowing capacity in the local and foreign currencies, prepare a schedule of any State government debt obligations and provide advice for their management.		
	The DMOL (2020) has strengthened the function of the DMO so is valuable in itself beyond the DLI, However, notwithstanding all the above, we note that the requirement of Criterion #1 is not met as no explicit provision that details the responsibilities for contracting state debt. The provision (Part V Section 21(1-2)) for the State House of Assembly approval of the borrowing is not the same as assigning responsibility for contracting state debt. The role of the State House of Assembly is akin to a "no objection".		
	Responsibilities for recording/reporting state debt - About the requirement of the State's law to include the "Responsibilities for recording/reporting state debt, Part V, section 14 (1) states the purpose for borrowing. However, there was clarity on the responsibilities and accountabilities between the Debt Management Office and the Ministry of Finance. The law should state that, only Commissioner of Finance or his representative should sign loan agreement on behalf of Abia State after approval by the House of Assembly. Meanwhile, Part II Section (4-5) makes specific provision for the Responsibilities for recording/reporting state debt.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Fiscal and debt rules/limits for the state - About the requirement for the State's Debt law to include the Fiscal and debt rules/limits for the state. Part V section 15 (1-8) makes provision for the Fiscal and debt rules/limits for the state. Also, Part V Section 14 (1) of the law provides for borrowing limits. Borrowing is limited to only concessional borrowing for capital expenditure and human development; and at a proportion of state's income held at a sustainable level. The legislation includes provisions which establish the following: a) Responsibilities for recording/reporting state debt. See (Part II Section (4-5) and b) Fiscal and debt rules/limits for the state. See (Part V section 15 (1-8), also refer to Part V Section 14 (1). But does not adequately cover the following: c) Responsibilities for contracting state debt. See (Part V Section 21(1-2)		
4	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt.	a) There is an operational State Debt Management Department, headed by Mr. Uma U. Ukonu. The Department has been performing its core functions of recording and reporting state debt including the quarterly domestic debt reporting to the Federal Debt Management Office(DMO), during the APA year, as evident by the quarterly reports sent to Federal Debt Management Office(DMO). b) The team visited the State Department, interviewed the Head of Department and one senior staff. The team also administered questionnaires to them and reviewed some	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		documents in the department. Pictures of the department were obtained and retained.		
DLR 7.2	**Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarters in 2019**			
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 2019?	a) The state produced quarterly domestic debt reports approved by the Federal Debt Management Office (DMO) on average of two months after the end of the quarter. We obtained evidence that the State produced quarterly State Domestic Debt Report (SDDR), which were submitted and received by the Debt Management Office as follows: • Q1 (Draft submitted on April 8, 2019) 1.1 week (8 days), • Q2 (Draft submitted on August 22, 2019) 7.6 weeks (53 days), • Q3 (Corrected version submitted on (November 1, 2019) 4.6 weeks (32 days) • Q4 (Draft submitted on (January 15, 2020) 2.1 weeks (15 days). The State Domestic Debt Reports (SDDRs) were approved within an average (3.86 weeks/27 days) from the end of the quarter.	Satisfactory	
2	**Note: Have you reviewed for accuracy and completeness from the DMO:** 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	We reviewed the Federal Debt Management Office (DMO)'s State Domestic and External Debt Report (SDEDR) with the Abia State Debt Domestic Report and both showed the same amount of Domestic Debt - ₦68,762,374,754. The report was supported with the DMO's templates and guidelines. a) The debt stock figures reported in the State Domestic and External Debt Report has been compared with those of the State Domestic Debt Report submitted by the State) There was no discrepancy between debt stock figures in the SDDR submitted by the State and the figures from Federal Debt Management Office(DMO).	N/A	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
Home Finance used by the DMO to cross-check the state's domestic debt figures.	b) The State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN and FMOF, was compared with all underlying and supporting documents from the Federal Debt Management Office (DMO) (including the DMO templates and guidelines). A difference of ₦5,528,816,090 was observed between the State Domestic debt of ₦74,291,190,844 reported by CBN in its State Debt data 2018 - 2019 and the State Domestic Debt of ₦68,762,374,754 reported by DMO in its Debt report for 2019. The difference has been communicated via issue report to the State. We reviewed the Federal Debt Management Office (DMO)'S report and the report confirmed the accuracy and completeness of the State Domestic Debt Report. A wider review was undertaken of the information and supporting schedules submitted by the Federal Debt Management Office (DMO), and several clarifications and adjustments were made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data.		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears			
DLR 8.0	**Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established. AND Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is**	The state did not submit to the IVA the annual state arrears recording, verification, and clearance report (SARVCR) for assessment.	**Not Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	consistent with the state's arrears clearance framework. -**Basic target:** At least a 5% decline or maintain stock below N5 billion -**Stretch target:** More than 20% decline			
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The State is yet to establish an Arrears Clearance Framework (ACF). b) The team visited the State's website www.abiastate.gov.ng/ and was unable to sight an Arrears Clearance Framework. Also, the State is yet to provide a copy of its Arrears Clearance Framework (ACF) for assessment. c) The State is yet to establish an Arrears Clearance Framework. The State assessed itself to not have met this DLI in its Result submission form. Also, the State's Focal person acknowledged that the State has not met this DLI during the team's Kick- off meeting with the State and would not be providing information for assessment on this DLI.	Unsatisfactory	The State should establish an Arrears Clearance Framework (ACF).
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	a) The State is yet to establish an Arrears Clearance Framework.	Unsatisfactory	The ACF should contain: 1) Planned actions to settle arrears. 2) An explicit prioritization of expenditure arrears to be settled.
3	Has the ACF been published on a State official website?	a) The State is yet to establish an Arrears Clearance Framework.	Unsatisfactory	The State should ensure the ACF is published on her Official website.
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	a) The State is yet to establish an Arrears Clearance Framework.	Unsatisfactory	The State should ensure that the clearance of domestic expenditure

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
				arrears is consistent with the ACF.
5.	Has the State established an Internal Domestic Arrears Database?	a) The State is yet to establish an Internal Domestic Arrears Database. This was corroborated with the result submission by the State where the State assessed itself to have met this DLI. b) Also, the Director of the State Debt Management Department explained upon the IVA's visit to the Department that it is yet to establish the Internal Domestic Arrears Database due to certain internal issues they were experiencing.	Unsatisfactory	a) The state should ensure they establish an internal domestic arrears database. b) The Internal Domestic Arrears Database should include aggregate and individual amounts of contractors' arrears; aggregate amount of pension and gratuity arrears; aggregate amount of salary arrears and other staff claims
6	Has the State published online elements of the internal domestic arrears database for the FY **2018** and FY **2019** reported on a State official website, which constitutes the online publicly accessible arrears database?	a) The team visited the State's website www.abiastate.gov.ng/ and observed that the State is yet to publish online elements of its Internal Domestic Arrears Database nor establish an online publicly – accessible domestic expenditure arrears database on its website.	Unsatisfactory	The State should ensure they publish online, elements of the Internal domestic arrears database.
7. New	Does the online publication include? 1) the aggregate amount of contractors' arrears;	a) The State is yet to establish an online publicly – accessible domestic expenditure arrears database on its website.	Unsatisfactory	a) The State should ensure they publish online lists of contractors with recognized arrears exceeding N20million.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding N20million and information for contractors to be able to verify that their claims are being accurately reported in the database.			b) The state should ensure contractors are able to verify that their claims are accurately reported
New	Has the State met the following? (ii) Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework. **-Basic target:** At least a 5% year-on-year decline or maintain stock or arrears below N5billion. **-Stretch target:** More than 20% year-on-year decline.	a) The State is yet to present a copy of its Internal Domestic Arrears database and Arears Clearance Framework for assessment (ACF). Therefore, the percentage decline in verified stock cannot be established by the team.	Unsatisfactory	The State should ensure they meet a Basic target of reduction by at least 5% to meet the Basic Target or maintain a domestic debt stock below N5billion

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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 year, compared to the previous year, expressed in percentage terms.			
DLI 9: Improved Debt Sustainability				
DLR 9.0	**Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2019] AND Total debt stock at end Dec [2019] as a share of total revenue for FY [2019] meets target: -Basic target: < [140%] -Stretch target: < [115%]**		**Achieved** Basic target met	
	Has the State met: (i) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1st January to 31st December 2019) to the gross FAAC allocation for the same calendar year? **Less than :< [40%]**	The IVA computed the percentage of total monthly service deductions/Gross FAAC Allocation for this year APA**.** $$= \frac{\text{Total Debt Service Deduction}}{\text{Gross FAAC Allocation}} \times 100$$ $$= \frac{7,426,845,105.45}{59,501,750,525.61} \times 100$$ $$= 12.5\%$$ The percentage of Total Monthly Debt Service Deduction to Gross FAAC Allocation is 12.5%	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Source: FMoF (FAAC)		
	Has the State met: (ii) the ratio of total debt stock at end-of-year (31st December 2019) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2019)? -Basic target:< [140%] -Stretch target: < [115%]	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.	Satisfactory Basic target met	

Total Public Debt

	Financial Statements ₦	DMO figures (Adj) ₦
Total Domestic Debts	67,721,250,335.51	74,291,190,843.67
Total External Debts	29,605,012,868.08	29,556,717,577.92
Total Public Debts	**97,326,263,203.59**	**103,847,908,421.59**

From the above, a difference of ₦6,521,645,218.00 was observed between the Total Public Debts of ₦97,326,263,203.59 reported in the Audited Financial Statements 2019 and the Total Public Debt of ₦103, 847,908,421.59 reported by the Federal Debt Management Office(DMO) in its Debt report for 2019. This difference has been reported to the State via an issue report.

Total Annual Revenue

2019 Adjusted IGR (see DLI 4.2)	₦ 15,413,830,689
Gross FAAC Allocation	₦ 59,152,422,579
Grants	-
Other Revenues	₦ 3,619,942,994
Total Revenue**	**₦ 78,186,196,262**

a. The State's domestic debt stock figure in the Federal Debt Management Office (DMO) State Domestic and External Debt Report for 2019 is as at the end of Q4 2019.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	We have computed the total debt stock/ Revenue percentage for the 2019 year as follows: $$= \frac{103,847,908,421.59}{78,186,196,262.00} \times 100$$ = 132.82% The Basic Target was Achieved. **Source**: For Total Revenue 2019, see the Audited Financial Statement, Page 28. *Table 3 below holds a breakdown of the Total Debt. **Table 3(ii) holds the breakdown of Revenue b. The debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) is not the same as the figure in the Audited Financial Statements. c. There is a difference of ₦6,521,645,218.00 between the State Domestic and External Debt Report (SDEDR) and the figure in the Financial Statements. d. The difference has been communicated to the State Accountant General, e. The difference has been calculated in value and percentage terms, the difference in value is ₦6,521,645,218.00 and the Percentage difference is 6.28% f. The above issue is yet to be resolved. Although, it has been reported to the State the team is yet to get a response from the State.		

TABLE 3: DLI 9 31 DECEMBER 2019 STATE DEBT STOCK TABLES FOR ABIA STATE

ABIA STATE	AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,081,217,713
BAIL OUT (SALARIES) (SOURCE CBN)	12,794,321,209
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	3,816,361,143
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,138,765,655
STATE BONDS	-
COMMERCIAL BANK LOANS	2,025,945,685
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOANS (CBN FACILITIES)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	2,000,000,000
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	734,357,827
PENSION AND GRATUITY ARREARS	22,688,326,319
SALARY ARREARS AND OTHER CLAIMS	11,895,294
OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	**74,291,190,844**
TOTAL EXTERNAL DEBT (TED)	**29,556,717,578**
TOTAL PUBLIC DEBT (TED+TDD)	**103,847,908,422**

TABLE 3(ii): DLI 9 31 DECEMBER 2019 - ADJUSTED REVENUE TABLES FOR ABIA STATE

TEMPLATE: OPTION A	NGN
Item	2019
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	59,152,422,579
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	47,596,060,425
1.1.1 Gross statutory allocation	38,556,954,103
1.1.2 Derivation	6,849,002,318
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	2,190,104,003
1.2 VAT	11,556,362,153
2. Internally Generated Revenues (IGR) - Adjusted	15,413,830,689
3. Grants (internal and external)	-
4A. Other revenues (4.1 + 4.2 + 4.3)	3,619,942,994
4.1 Investment Income (e.g. dividends)	-
4.2 Interest Earned	7,173,910
4.3 Miscellaneous	3,612,769,085
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	78,186,196,262

3. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	**ABIA STATE DO NOT ACCEPT THE RESULT AS INDICATED IN DLI 6:2. IT IS THE POSITION OF THE STATE THAT WE MET THE REQUIRMENTS AS SPECIFIED IN THE LATEST VERSION OF THE APA VERIFICATION PROTOCOL. THE STATE IS NOT REQUIRED TO PUBLISH CONTRACT INFORMATION BY 31ST DECEMBER 2019. FOR THE AVOIDANCE OF DOUBT, THE APA VERIFICATION PROTOCOL STATES** "*to achieve the open contracting component of the DLI, states **CAN** publish contract award information for 2018, 2019, 2020 and 2021 (for MDAs without e-Procurement) for all contracts awarded during the fiscal year that are above the threshold (as defined in the state procurement law or in the state procurement regulation(s), in line with the Open Contracting Data Standards (OCDS) on the state official website or online portal if already established*" **AGAIN** " *For the 2019, 2020 and 2021 (for MDAs without e-procurement), confirm whether the disclosures on the state official website are compliant with/in line with the Open Contracting Data Standards (OCDS)".* **Your finding in this report on this DLI says** "*The contract award data published on the State's website is in line with the Open Contracting Data Standards (OCDS).* **IF THIS IS CORRECT, WHAT THEN IS THE BASIS FOR YOUR RECOMMENDATION WHICH STATES** "*State should adopt the OCDS and publish contract award information online as required under the standard*" **OUR SUBMISSION:** Access information directly on our portal in https://abiastate.gov.ng/ocds/Home/table and restore our result accordingly as we are certain we met all the requirements to achieve DLI 6:2	Please note that the Verification Protocol for this DLI specifically requires that a State "*publishes contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the online portal*". From the "submissions by the State as attached" we noted that the state did not publish such information in 2019 which is the Annual Performance Assessment (APA) year. Rather the information was published in the subsequent year (2020). The wording that says '*The contract award data published on the State's website is in line with the Open Contracting Data Standards (OCDS)*' was intended to convey that from an initial look, the State has introduced a system for OCDS compliance that can be assessed. This is in contrast with previous years where several States had not made any attempt to publish.

| | | Please note that this DLR is valid for each year of the APA, and as such is not a one-time result. It therefore necessarily requires an annual measure of performance which for this assessment is 2019. |

REPORT ON THE ACHIEVEMENT OF THE ELIGIBILITY CRITERIA FOR THE 2019 PERFORMANCE YEAR

YOUR STATE HAS BEEN ASSESSED AS HAVING MET THE ELIGIBILITY CRITERIA FOR THE 2019 PERFORMANCE YEAR

This report sets out the assessed performance of the State against the set eligibility criteria for the States' Fiscal Transparency, Accountability and Sustainability Programme (SFTAS). It contains feedback and clarifications to enable the State prepare better for the next assessment. Note that the eligibility assessment will be conducted afresh on an annual basis and being deemed eligible in one year does not guarantee eligibility in subsequent years. Please visit the SFTAS guidelines for more detail on eligibility.

Any enquiries on the contents of this report should be routed through the State Focal persons to the following email address – sftas@oaugf.ng

Eligibility Criteria 2019 Part I - The online publication of Approved Budgets for 2020 by 31st January 2020

Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
https://www.abiastate.gov.ng/approved-2020-appropriation-bill/	A search was done on the Abia State website	The 2020 Budgets were published on the State Official website, a copy was downloaded. There was evidence of 2020 Budget being signed by the governor.	N/A	**EC was met**

Tests/checks performed	Results	Areas for improvement
Is the approved budget for 2020 available on any of the State Government Websites?	Yes	None
Was the approved budget published online before 31 January 2020?	Yes	None
Is the published budget clear and legible?	Yes	None
Can the budget be downloaded?	Yes	None
Do we have evidence of assent by the Governor?	Yes	None

Eligibility Criteria 2019 Part 2 - The online publication of Audited Financial Statements for FY2018 by 30th September 2019

Source(s)	Initial Work Done	Initial Comments / Observation	Follow up	Final Assessment
https://www.abiastate.gov.ng/wp-content/uploads/2019/09/Abia-State-2018-Financial-Statement.pdf	A search was done on the Abia State Website and their Audited Financial Statements were downloaded.	The Audited Financial Statements were easily accessed and downloaded.	N/A	**EC was met**

Tests/checks performed	Results	Areas for improvement
Were the Financial Statements (FS) for 2018 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)	Yes	None
Were the Financial Statement for 2018 available published online before 30th September 2019?	Yes	None
Are the published financial statements clear and legible?	Yes	None
Can the Financial Statements be downloaded?	Yes	None
Do we have evidence of audit by the State Auditor-General?	Yes	None
Are the financial statements complete, including primary statements and disclosure notes?	Yes	None
Are there any indications that balances within the financial statements are not credible	n/a	Please see the 2018 APA Report