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

2020 Annual Performance Assessment (APA) Report

ANAMBRA 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 Anambra 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 Anambra State and shows areas where the State was able to achieve results. Anambra State achieved 7 (Seven) DLRs out of 15 DLRs applicable to the 2020 APA out of which 1 (one) DLR was achieved in 2019 APA.

Table 1: Assessment Results

Key	Achieved	Not Achieved	Previously Achieved

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: 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		• State did not publish the Q2 report online. • The State published the report after the due dates.
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%	Achieved	
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 FY2021 budget.	Achieved	
	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	Achieved	
DLI 3: 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.
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		Revenue code has not been approved by the state legislature and assented to by the Governor
	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	
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	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	Achieved	
	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		• The State has not linked BVN details of pensioners to its payroll system • BVN data is linked to payroll for less than 90% of pensioners

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency, and 3) Cover all MDAs receiving funds from the state budget	**2019 APA**	
	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 **AND** *For those MDAs without e-procurement:* Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available		● The State did not implement its e-procurement framework for the year of assessment. ● Subject to the receipt of the requested information/clarification
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.		No provisions were seen covering the responsibility for contracting state debt.
	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 **AND** Annual State debt sustainability analysis published by end of December 2020		The SDSAR did not include include an explanation of the State's borrowing options despite the State having budget deficits throughout the whole projected period.
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place. Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with verification process in place **AND** 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.		● State has no Arrears Clearance Framework/The State ACF was not published online ● State has not established Internal Domestic Arrears Database [or it does not include the required information] ● The percentage decline in the verified stock of domestic arrears was less than 5% [or the stock of arrears was above 5 billion]
DLI 9: Improved debt sustainability	Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target: Basic target: < 150%, Stretch target: < 125%.	**Stretch Target Met**	

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. <u>DLR 1.1:</u> The balances stated in the Budget implementation reports should be provided on a consolidated basis across the four (4) expenditure classifications. The State should ensure all quarterly implementation reports are published within four weeks of the end of each quarter. The State should ensure the reports state the actual expenditures to each MDA and each expenditure classification as well as cumulative expenditures for the year to date

2. <u>DLR 3.0:</u> Develop a functional State-level TSA where all Government revenues (IGRs ad FAAC) are credited into before expenditure. 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 it should be in line with the approved Cash Management Strategy. Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.

3. <u>DLR 4.1:</u> Review for amendments, the Revenue Law (alongside with the revenue code). The amended Revenue Law should be approved by the State legislature and assented to by the Governor. The amended revenue law and code should be published online.

4. <u>DLR 5.2:</u> The BVN data of all Pensioners is linked to the State's payroll to address payroll fraud.

5. <u>DLR 6.2:</u> e-Procurement should be implemented as soon as possible. Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs.

6. <u>DLR 7.1:</u> Amendment of the Fiscal Responsibility law and/or State Debt Management Law to provide for the responsibilities of contracting state debts.

7. <u>DLR 7.2:</u> The Annual State Debt Sustainability Analysis includes a detailed description of the State's debt portfolio and borrowing options.

8. <u>DLR 8:</u> A Domestic Arrears Clearance Framework (ACF) is established and 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

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 engaged the services of the Debt Management Office (DMO) for Debt Management-related DLIs to review the returns in place for 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 (achieved and not achieved), 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 27/02/2022 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
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	**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**		**Not Achieved**	
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?	The Quarterly budget implementation reports were posted online on **Q1 –** http://www.anambrastate.gov.ng/DEMO/wp-content/uploads/2022/01/2020-Q1-Budget-Implementation-v4.pdf **Q2-** Not published **Q3 –** https://www.anambrastate.gov.ng/DEMO/wp-content/uploads/2022/01/Anambra-State-3rd-Quarter-Report-2020.pdf **Q4 –** http://www.anambrastate.gov.ng/DEMO/wp-content/uploads/2022/01/Fourth-Quarter-Covid-Implementation-Report-2020-Economic-Segment.xls*x)* as follows: ● Q3 – (28/10/2020) - 4 weeks (28 days)	Unsatisfactory	The State should ensure all quarterly implementation reports are published within four weeks of the end of each quarter

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		• Q4 – (28/02/2020) - 8 weeks and 3 days (59 days) $$\frac{28+59}{2}$$ Average = <u>57.5 days (8.21 weeks)</u> We downloaded the quarterly budget Implementation Reports for the First, third, and fourth quarters for the year 2020. The State did not publish its Q2 report on its website, an APA issue was raised, but there was no response. IVA obtained and retained the timestamp of the publications for Q1, Q3, and Q4 reports as evidence. Post-review: The weblinks were giving the error message "Page not found"		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	Upon review of the State's Budget Performance Reports, we observed the following Q2 Report was not provided. However, the Q3 report included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others) while Q4 Report was a Covid-19 Budget Implementation Report by Economic Segment; Q3 and Q4 included the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations.	Unsatisfactory	The State should ensure the reports state the actual expenditures to each MDA and each expenditure classification as well as cumulative expenditures for the year to date.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 the year to date?	Upon review of the State's Budget Performance Reports, Q4 did not state the actual expenditures for each quarter attributed to each MDA. The Q3 report included actual expenditures for each quarter attributed to each MDA as well as the cumulative expenditures for the year to date.	Unsatisfactory	The State should ensure the reports state the actual expenditures to each MDA and each expenditure classification as well as cumulative expenditures for the year to date.
4	Does the report state balance 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 did not state 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.	Unsatisfactory	The state should prepare a Budget implementation report with revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications
DLR 1.2	**FY [2020] deviation from total amended budget expenditure is less than 15%**		**Achieved**	
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	The State computed the budget deviation for 2020 to be 4.03% The IVA computed the budget deviation for this APA year. See the computation below: 		Total Amended Budget (₦)	Actual (₦)	 				Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
expenditure and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 15%	<table><tr><td>Capital (pg24)</td><td>65,806,797,262</td><td>63,234,344,473.4</td></tr><tr><td>Rec. Exp (pg24)</td><td>49,164,463,958</td><td>47,098,945,773.99</td></tr><tr><td>Total</td><td>114,971,261,220</td><td>110,333,290,247.39</td></tr></table> $$\frac{₦114,971,261,220 - ₦110,333,290,247.39}{₦114,971,261,220} \times 100$$ $$= 4.03\%$$ The budget performance deviation is 4% **Source**: The year 2020 Audited Financial Statement Page 24 and Approved Revised 2020 Estimates for Budgeted Expenditure Page 11 The amended annual budget figures shown in the AFS are the same as the signed amended budget/appropriation. The source of the values used in the calculations is from parts of the published Audited Financial Statements. IVA compared both Expenditure figures in Cash flow and Statement of Financial performance, and no difference was noted. *The State is required to upload the signed amended budget for 2020 on the website and make evidence of this available when giving feedback to IVA on this report.*		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process			
DLR 2.1	**Citizens' inputs from formal public consultations are published online,**		**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
along with the proposed FY [2021] budget			
Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	The following documents were obtained and reviewed: Attendance register (with name, organization, address/community/LGA, contact, email & signature), minutes of the meeting, pictures, and draft budget. a) Some of the LGAs in attendance were: Adazi Nnukwu, Aniocha, Agulu. b) The CSOs representatives in attendance were Arthur Iweanya-Director, planning, Ministry of Economic planning, budget and Development Partners, (MEPBDP) Josephine Onah- Union Rule of law and Anti-Corruption (EU-ROLAC) Programme, Nkala Iyke -Anambra State Association of Town UNION (ASATU), Francis Uje Dibie - Budget Foundation, Christy Akabua - planning officer, Ministry of Economic planning, budget and Development Partners, Mrs. Ugochi Ehiahunike Manager -JPDC. c) The sources of information from which our conclusions were drawn are: minutes, attendance, pictures, etc.	Satisfactory	
	d) The date of consultation on the proposed budget is 13th October 2020 and the venue is Finotel Hotel Awka Anambra state. e) 10 attendees were randomly selected and contacted through phone calls to confirm their attendance. f) The budget was drafted on 30th October 2020,		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		g) The dates of the consultation are 13th October 2020 and the date of the draft budget is 30th October 2020. This indicates that consultation came first.		
		h) The publication of the proposed budget is 6th November 2020 which was done before the deadline of 31 January 2021.		
		i) The weblink for the publication of the proposed budget: https://www.anambrastate.gov.ng/wp-content/uploads/2022/01/Draft-Anambra-State-2021-Budget-2.pdf		
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?	a) The CSO representative that co-signed the minutes were: Arthur Iweanya-Director, planning, MEPBDP, Josephine Onah- European Union Rule of law and Anti - Corruption (EU-ROLAC) Programme, Nkala Iyke -Anambra State Association of Town UNION (ASATU), Francis Uje Dibie -Budgit Foundation, Christy Akabua -planning officer, Ministry of Economic planning, budget and Development Partners, Mrs. Ugochi Ehiahunike Manager -JPDC., Nnewi.,obiora Obiabunmo SSA to the Governor on Economic Planning and Budget. A copy of the Minutes has been retained in a file.	Satisfactory	
		b) The consultation is titled: Minutes of the Stakeholders Consultative Forum on the Anambra FY2021 Annual Budget held on Tuesday 13th October 2020 hosted by the Ministry of Economic Planning, Budget and Development (HC-EPBDP) at Finotel Hotel Awka, Anambra state.		
		c) The signatories represent the following organization: European Union Rule of law and Anti-Corruption (EU-ROLAC) Programme, Anambra		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		State Association of Town UNION (ASATU), BudgiT foundation, JPDC, Ministry of Economic Planning, Budget and Development Partners. d) Web link to the publication: https://www.anambrastate.gov.ng/wp-content/uploads/2022/01/MINUTES-OF-THE-STAKEHOLDERS-CONSULTATIVE-FORUM-ON-THE-FY2021-ANNUAL-BUDGET-2.pdf		
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**		**Achieved**	
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?	a) The following documents were obtained and reviewed: Minutes of meeting, attendance register (with name, organization, address LGA, contact, email & signature) b) The Amended Budget and the evidence of the dissemination events have been downloaded. Amended budget: https://www.anambrastate.gov.ng/files/2022/01/APPROVED-REVISED-2020-ESTIMATES-OF-ANSG-COVD_19-BUDGET-Final.pdf Dissemination event: https://www.anambrastate.gov.ng/wp-content/uploads/2022/01/2020-REVISED-BUDGET-STAKEHOLDERS-MEETING-1.pdf c) The dissemination event was done virtually on 23rd May 2020.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		d) Evidence of the dissemination event was published online on 30th June 2020 which was before the deadline of September 30, 2020. The evidence of dissemination published online by the State are Minutes of meeting, attendance list. Copies have been obtained and retained in the file.		
		e) Evidence of the dissemination event was published in the same location (the State's website) with the Amended FY20 Budget.		
		f) The date of publication of the evidence of the dissemination event is 30th June 2020. The evidence obtained to confirm the dates of online publication is IT back-end timestamp		
		g) The web link for publication: https://www.anambrastate.gov.ng/wp-content/uploads/2022/01/2020-REVISED-BUDGET-STAKEHOLDERS-MEETING-1.pdf *Post review: the weblink for the Revised 2020 Budget is not functional. State is required to provide a functional web link.*		
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?	The Citizens budget based on the Amended Budget (2020) was published on 30th September 2020, the same date as the deadline date of 30th September 2020 via https://www.anambrastate.gov.ng/storage/2022/01/2020-REVISED-CITIZENS-BUDGET.pdf b) A comparison of the Amended Budget 2020 with the Citizens Budget was done and there were no significant areas of discrepancies.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	c) The Citizen's Budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template. No discrepancies exist among the following: i. Simple explanation of the annual amended budget/citizens budget. Pages 2-3 ii. The sources of revenues. Pages 21-24 iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. Page 21 &24 iii. Total expenditure by economic classifications page 10. iv. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap page 24 v. Disclosure of Budget deficit (if any) and how it will be financed pages 8 & 9 vi. Sectoral Allocation (by MDAs). Pages 12-16 vii. Top Projects to be financed (at least 5). Pages 17-18 ,20 (1. construction of /Rehabilitation of selected major-minor inter-community road, other capital projects,2. Airport project.,3 construction of international conference Centre Akwa,4. community Emergency fund for Anambra State Universal Basic Education Board, d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included in the citizen budget.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		e) A different format was not used, and it has been compared with the suggested format, and no significant differences were identified.		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	a) The Citizens Budget did not specifically explain key changes however page 4 and page 10 of the Citizen's Budget show a comparison between the 2020 Original Budget Figure and the 2020 Revised Budget figure b) The Citizens Budget included data on reallocations and adjusted spending priorities as shown on page 10 of the Citizens Budget We confirmed that the amended FY20 state budget was summarized in a comprehensible manner to the Citizens in the Citizen Budget.	Satisfactory	

4	Does the State website have functional feedback and response online mechanisms?	a) The State has established functional feedback and response online mechanisms on its website
		
		b) The type of feedback mechanism established on the State website is an email format.
		
		c) The State's feedback mechanism provides at minimum the following:
		
		   i. Acknowledgement of receipt of comments/feedbacks from citizens (The receipt message is "Thank you for your message. It has been sent")
		
		   ii. State's responses to comments/feedbacks (The State response to IVA comment was - "The venue of the stakeholder's consultative forum on Anambra budget is Finotel Hotel, Awka, Anambra state.'')
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		iii. Display of time frame is approximately 48 hours and the State's government contact details are 07039194332 and the email is info@anambrastate.gov.ng)		
		d) A walkthrough test has been conducted guided by the State's personnel and this confirms the functionality of the feedback mechanism.		
		e) The State Ministry of Finance demonstrated how they have responded to previous comments. A screenshot of the response has been obtained and retained in the file		
		f) The State's feedback mechanism is functionally based on the walkthrough test carried out.		
		g) The weblink: https://www.anambrastate.gov.ng/contact-ansg		
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 the implementation of State TSA**		**Not Achieved**	
1	Has the State established a functional State-level TSA?	a. The State has established a functional State-level TSA. b. The State operates multiple accounts. The account details for the following are: ● IGR Main Account: (TSA) Bank: Fidelity Bank Plc Account name: ANSG Consolidated Int. Gen. Rev account Account number:5030005088 ● FAAC Account:	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Bank: Fidelity Bank Plc Account name: ANSG Statutory Revenue Allocation Accounts Account name: 5030026223 ● VAT Account: Bank: Access Bank Plc Account name: ANSG VAT Account Account name: 1226470457		
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.	The State has a cash management strategy. a) The document's name is Anambra State Government Modern Cash Management Strategy (New Edition). It was produced in June 2019 and was signed by the State's Accountant General. b) The Strategy covers 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 as seen in Section 3 sub-sec. 3.2 (par.2), 3.3 and 3.3.3. c) The strategy mentioned in section 3.7 that cash sweepings from other collecting banks will be done routinely. d) There is evidence of implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds (IVA checked the existence of cash commitments and requirements forecasts at the intervals stated in the cash management strategy (monthly). (The State applied the strategy to its forecasting of cash commitments and requirements through the provision of a cash plan)	Satisfactory	

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)?	The State does not have a functional computer application where the State can view the cash balances in the bank account(s). a) The State does not have a functional computer application b) It is not in line with the approved cash management strategy as the State does not have a computer application where IVA can view cash balance c) No functional computer application was deployed	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.	a) The following Revenue generating MDAs were visited; Ministry of Health, Ministry of Education, and Ministry of works. The Director of Accounts in these three MDAs was interviewed. All three Directors confirmed that all revenues collected by the MDAs are done centrally through the pay direct at the various commercial banks. The revenues are swept daily from the different collecting commercial Banks into the IGR Consolidated account maintained at the Fidelity bank Plc which is also the State's TSA account. IVA obtained copies of demand notice, bank tellers, bank printouts, treasury receipts, and answered questionnaires as evidence of TSA in the three MDAs visited. b) The TSA of the State is the IGR account at Fidelity Bank Plc with the account name "ANSG Consolidated Int. Gen. Rev. Account" and account number is 5030005088. c) Not all government monies go through this account. Only the State's IGR are collected into this account	Unsatisfactory	The State's TSA should have one consolidated revenue treasury account for state revenues (FAAC and IGR)

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		d) All government monies (IGR) do not sit in the other revenue collecting banks. They are swept into the TSA account e) The State's TSA bank Statement was obtained.		
5	Does the TSA cover a minimum of 70% of the State Government's finances?	The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2020. See the computation below: *table below* The average is percentage computation is: $$\frac{37\% + 36\%}{2}$$ **= 36%** The TSA covered 36% of the State's finances. *Sources: 2020 Audited Financial Statement (Cash Flow Statement) Page 24 and the TSA Statement from Fidelity Bank Plc for 1 January to 31 December, 2020. An issue report seeking explanations for the material difference that exists between the total TSA inflows and outflows and the Cash flow Statement inflows and outflows was sent to the State. The State's response is being awaited.	Unsatisfactory	The State's TSA should cover at a minimum of 70% of Government Finances.
DLI 4: Strengthened Internally Generated Revenue (IGR)				

Computation table within Findings:

	Total Inflows (₦)	Total Outflows (₦)
TSA Bank Statement	39,204,991,007.00	39,290,394,152.00
Government Finances*	106,039,076,904.10	110,333,290,247.39
Percentage	37%	36%

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		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**		**Not Achieved**	
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	a) The State did not have an amended revenue law b) IVA could not ascertain the name of the Revenue Code and Rates since the State has no amended revenue law nor revenue code c) There was no revenue code hence no law was properly cross-referenced or linked d) The State has no revenue code e) There is no web link where the Revenue Law, Code, and Rates were posted f) The State did not have a revenue Code; hence IVA could not confirm if the Code includes all State IGR sources and the LGs IGR sources g) The State did not have a consolidated revenue code; hence IVA could not confirm if the consolidated revenue code includes the rate chargeable for each IGR source	Unsatisfactory	The State should amend its current harmonized law to include all sources of revenue for local governments
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	a) There was no result since the Team did not receive a revenue code and the State does not have any revenue code	Unsatisfactory	The State should amend its Tax legislation to make it explicit in the law that the SBIR/SIRS is the

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	for State revenue (tax and non-tax) collection and accounting in the State?	b) There was no result since the expert did not receive a revenue code from the State c) No conclusion was drawn by the Team and the expert d) Since no conclusion was drawn, inconsistencies were not identified		sole collector for all State government revenues.
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	a) IVA did not confirm from the SBIR/SIRS that the collection of revenues was made into accounts nominated by them since the existing revenue Law has not been admitted to meet all requirements. b) IVA did not confirm if the SBIR/SIRS has full oversight of accounts and is responsible for the revenues since the existing revenue law has not been admitted to meet all requirements	Unsatisfactory	The state should revalidate revenue accounts by ensuring SBIR/SIRS nominates such accounts
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.	a) There was no date of approval for the State's revenue code since there is no revenue code	Unsatisfactory	The State should ensure that required amendments to the law are concluded as soon as possible given upcoming APAs.
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	a) The State did not have any copy of the Law, Code, and Rates b) The State did not have any copy of the Law, Code and Rates hence IVA did not access nor download the document c) The State did not have any copy of the Law, Code, and Rates hence no web link of the publication.	Unsatisfactory	The State should publish the Revenue law, sources, and rates online.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 4.2	**2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection**		**Achieved** (Stretch Target Met)	
1	Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets? **Basic Target:** N/A **Stretch Target:** equal to or higher than the 2019 nominal IGR collection	a. The accounting basis used for revenue reporting in 2019 and 2020 from the Audited Financial Statements or State Auditor-General's Report is Cash Accounting. b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below:	Satisfactory	The State should ensure it maintains consistent data for ease of verification

Computation table:

REPORTING TEMPLATE: OPTION B	NGN		% GROWTH
Item	2019	2020	
1. Reported IGR in AFS (Before Adjustments)	25,183,562,696.89	27,237,691,221.28	8%
2. INVALID items to be deducted IF reported as part of IGR	5,813,139,183	1,748,150,020	
Paris club refund			
Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)- Repayments	4,849,050	6,795,308.34	
Sale of govt property, privatization proceeds			
Savings			
Investment Income (e.g. dividends)	193,625,010	148,200,828.89	

Disbursement Linked Indicators (DLIs) and Tests	Findings			Conclusion	Recommendations
	Interest Earned	5,478,118,810	1,303,375,975.61		
	Miscellaneous	136,546,313	289,777,906.76		
	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)	19,370,423,514	25,489,541,201.68	32%	

*Miscellaneous from the notes to the account was unpacked. Miscellaneous contained no valid IGR (See page 78 of 2020 Audited Financial Statement)

$$\frac{₦25,489,541,201.68 - ₦19,370,423,514}{₦19,370,423,514} \times 100$$

= 32%

The annual nominal growth is 32%

Source for IGR: 2020 Audited Financial Statement Page 24

Also, the IVA observed that the IGR figure stated in the gross 2020 IGR outturn report was N28,009,924,580.48 while the gross IGR figure from the pay direct is N21,258,352,863.92 resulting to a difference of N6,751,571,716.56. No response has been submitted by the State. Therefore, it is required that the State should provide explanations to justify the discrepancies noted above while providing feedback to this Report.

The State did not respond to the IVA requests.

However, further computation was done using the Pay Direct balance as follows:

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$\underline{\text{₦21,258,352,863.92 - ₦19,370,423,514}}$ x 100 ₦19,370,423,514 **= 9.74%** The annual nominal growth is 9.74% This showed the State achieved the results.		
DLI 5: Biometric Registration and Bank Verification Number (BVN) **Used to reduce Payroll Fraud**				
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**		**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?	The State commenced biometrics capturing of civil servants and of pensioners in 2016 and completed the Biometric data capture of civil servants and pensioners in 2019. a) It was outsourced to AppMart Integrated on 31st March 2016 and ANETT Consultant in December 2019. b) The total number of Civil Servants is 12,483 c) The total number of Pensioners is 13,018 d) The total number of staff on the State Nominal roll is 25,877 (Pensioner = 13,018+ Civil Servants = 12,859) and Payroll is 25,501(pensioner = 13,018 + Civil Servants = 12,483) e) The biometrics data captured (number of persons captured) is 13,018 + 12,483 =25,501	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		f) The document obtained for our conclusion is a one-page payroll report obtained from the State Payroll Office. $$\frac{\text{No of Biometric Data Captured} \times 100}{\text{Total No of Civil Servants + Pensioners on payroll}}$$ $$\frac{25,501}{12,483+13,018} = 100\%$$ The State had captured 100% of the State's Civil Servants and Pensioners on its payroll.		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	a) The State commenced biometrics in 2016 and finished the linkage of the biometric data to the payroll in 2019. b) Biometrics data that have been linked to the payroll (i.e., for Civil Servants is 12,483 and Pensioners is 13,018) c) No ghost workers were detected during the biometric validations. d) No amount was lost since there were no ghost workers were detected. e) There were in-year changes to the civil servant and pensioner payrolls (as a result of starters, leavers, deaths, etc. f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths. The documents obtained is a letter from MDAs to the central payroll office for removal and stoppage of salary	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		g) These changes were captured by the biometric exercise. h) The procedures in place to identify and remove ghost workers is a programmed system that is configured in a way that automatically removes retired civil servants from the payroll, also a letter from MDAs notifying the central payroll office for stoppage of staff salary and removal from the payroll as a result of death, Retirement, etc.		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a) No ghost workers were identified during the linkage. b) There is no record for the identification of ghost workers since the State does not have ghost workers. c) No identified ghost workers were removed from the payroll d) The payroll figure of civil servants for the year is ₦10,635,103,716.60 and that of pensioners for the year is ₦8,366,408,224.56. There was a variance of 2,284,796,471.95 between the payroll figure for pensioners in the One page report and the AFS, and a variance of 2,550,179,954.10 between the payroll figure for civil servants in the One Page Report and the AFS. The State has been communicated and responded as follows: *1.The Variance of 2,284,796,471.95 is as Result of Initial Pension Arrears and 5yrs Mandatory of Pensions which I included in my Gross and not included in the AFS Report.* *2.The Variance of 2,550,179,954.10 is as a result of Salary Arrears and Other Allowances which I included in the*	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Gross but not included in the AFS (Salary/Wages) Report for Civil Servants.		
		IVA noted their response.		
		e) The payroll figure remained the same 19,001,511,945.16 (Payroll for pensioners and civil servants) hence there are no ghost workers		
		f) The source(s) of this information are: letter from the MDAs to central pay office, a one-page report showing total pay for the year for Civil servants, and Pensioners.		
DLR 5.2	**Link BVN data to at least [90] percent of current civil servants and pensioners on the payroll and payroll fraud addressed**		**Not Achieved**	
1	Has the State linked the Bank Verification Number data to 90% of its current Civil Servants and pensioners on the State payroll?	The State commenced BVN capturing in 2016 and completed the BVN data capture of civil servants 2020. a) It was outsourced to AppMart Integrated Limited 2016 and to Tenece Professional Services in December 2020. b) The total number of civil servants is 12,483 c) Total number of pensioners is 13,018 d) The total number of staff on the State nominal roll is 25,877 (Civil Servant (12,859) and pensioners (13,018)) e) The BVN data of 12,352 Civil Servants have been linked to the payroll, while the BVN of Pensioners was not been linked to the payroll. f) The documents obtained for our conclusion are: One-page reports from the payroll office,	Unsatisfactory	The State should link the Bank Verification Numbers of all its Civil Servants and Pensioners to the State payroll to prevent fraud.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		screenshot directly from the database manager, and the nominal roll. $$\frac{\text{No of BVN Data Linked}}{\text{Total No of Civil Servants + Pensioners on payroll}} \times 100$$ $= \dfrac{12,352}{12,483+13,018} \times 100 = 48\%$ The State has linked 48% of the State's civil servants and Pensioners BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	a) Civil Servants with BVN data is 12,352 and without BVN data is 131. b) No payroll frauds were identified, hence no record. c) No payroll frauds were identified. d) The payroll figure is ₦19,001,511,945.16 (for 12,483 Civil Servants and 13,018 pensioners) e) The payroll figure remains ₦19,001,511,945.16 (for 12,483 Civil Servants and 13,018 pensioners) since no fraud was identified f) The source(s) of this information and reference to the documents is a one-page report from payroll office, nominal roll, payroll script, and one-page report on BVN linkage to payroll	Satisfactory	
DLI 6: Improved Procurement Practises 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-**		**Previously Achieved in 2019 APA**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget			
1	Does the State have a public procurement legal framework that must be approved by the State legislature to have a legal basis, either as a law or a resolution?	**Previously Achieved in 2019 APA**		
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	**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**		**Not Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	state website or online portal if available. **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 AND For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.**			
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 (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)?	a) IVA obtained a schedule of all contracts awarded during the year under assessment above the threshold (as defined in the state threshold reference ANG/SSS/M.235/T/19 dated 15th May, 2006) b) Data published is in line with the Open Contracting Data Standards (OCDS) c) The date of publication is 2020 d) The source of the publication is the OCDS portal A physical inspection of the Bureau was conducted, and IVA observations confirmed the existence of a functional State instituted procurement regulatory	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

	function which is performed through the Anambra State Bureau of Public Procurement.
	
	e) The minimum contract award information that was published is:
	
	   (i) Project name,
	
	   (ii) Awarding institution,
	
	   (iii) Award date,
	
	   (iv) Name of contractor, and
	
	   (v) The contract amount was published.
	
	f) All items in (e) above were published
	
	g) The web link where data was published is https://bpp.an.gov.ng/ocds/Projects
	
	The contract award information published on the State's official website was accessible to the public.
	
	Also, the IVA noted that the portal shows a total of 94 contracts with a total value of approx. N22bn. This is at variance with a Capex outturn of N63.2bn for 2020, and indicates the online publication is incomplete. Note the DLR requires the publication of all contracts above the set threshold. Hence the State is required to provide justification for the discrepancy while giving a response to this report.
	
	The State did not respond to IVA's request. The result is however not achieved as the State did not meet the other requirements		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2 New	Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020?	a) The State has not signed the SaaS e-Procurement Framework Contract. b) No copy of the SaaS e-Procurement Framework Contract was obtained. c) The State has its separate framework contract, to implement e-Procurement but was not implemented in the year under review	Unsatisfactory	The State should ensure that it has an arrangement in place to implement e-Procurement as soon as possible.
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?	a) The State has not implemented e-procurement in at least 3 MDAs (Education, Health, and Public Works) in the year under review. b) No walkthrough was done since the State did not provide any contract file from the office to examine c) IVA team cannot determine if transactions followed the procurement life cycle since no contract files were provided d) The State has not implemented the E-Publishing/Notification module for contract notice and contract award. It was not effective during the year 2020.	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs and at least 3 MDAs in the first instance (including Education, Health, and Public Works).
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.**		**Not Achieved**	
1	Is there an Approved state-level public debt legislation through the	a) The State provided copies of their approved State-level public debt legislation titled "State Public	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?	Finance Law 2020" and "State Fiscal Responsibility Law" b) The date(s) of approval for Public Finance Law is 3rd March 2020 and for Fiscal Responsibility Law is 16th September 2010		
2	Does the legislation include provisions that establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.	a) The team's review of the State Public Finance Law 2020 and Fiscal Responsibility Laws revealed that the State's Debt Legislation met Criteria (ii) & (iii) but did not meet criteria (i). The sections of the code that met the Criteria (ii) and Criteria (iii) required provisions are section 44(5) of the FRL and section 14(1) of the FRL respectively b) The results of the expert review states that the State Debt Legislation did not satisfy criteria (i), hence DLI is not achieved. IVA has checked all references to sections of the law by the expert. c) Both conclusions (Team conclusions and expert conclusions) are aligned d) There were no differences in opinion and our conclusion Ensure the following are included: Criteria 1: The State Debt legislation did not include provisions that establish the responsibilities for contracting state debt	Unsatisfactory	The state should amend their public debt legislation to reflect the provisions for establishing the responsibilities for contracting State's Debt

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Criteria 2: The State Debt legislation includes provisions which establish the responsibilities for recording/reporting state debt (section 44(5) of the FRL which states that "without prejudice to the specific responsibilities of the House of Assembly, the Ministry of Economic Planning shall maintain a comprehensive, reliable and current electronic database of internal and external public debts, guaranteeing public access to the information") and		
		Criteria 3: The legislation includes provisions that establish Fiscal and debt rules/limits for the state. (Section 14(1) of the FRL states that "the estimates of aggregate expenditure and the aggregate amount appropriated by the 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.")		
4	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the core function of recording and reporting state debt?	The State Debt Management Department was operational during the APA year and performed the core function of recording and reporting state debt. a) The IVA interviewed the Head of Debt Management Department (b) Head of Debt Management Department view: Mr. Onuzulike Theodore said since the establishment of the Department, the State debt reporting has improved, and the State achieved timely submission of State Domestic Debt Reports. Overall, the Department has been actively and effectively	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		functional. The Department has three (3) Staff (the Head Inclusive) (c) IVA conducted a physical inspection of the Department and observed that the Department exists (d) Pictures of official premises was obtained (d) An interview with a random operational staff was conducted. Mr. Okoye Lotana, a staff of DMD opined that the State debt reporting has improved since the establishment of the Department. (e) The document reviewed is the SDDR, State External Debt Report, and the email between the State DMD & Federal DMO		
DLR 7.2	**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 AND Annual state debt sustainability analysis published by end of December 2020**		**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?	We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows: ● Q2 submitted on (24/08/2020) 55 days, ● Q3 submitted on (12/11/2020) 43 days and ● Q4 submitted on (02/02/2021) 33 days.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$$\frac{55+43+33}{3}$$ Average = 6 weeks and 2 days (44 days) The SDDRs were submitted within an average of one month and 16 days (the average number of days is 44 days).		
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 Home Finance used by the DMO to cross-check the state's domestic debt figures.	a) IVA has obtained the Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents. b) The State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data has been compared with the supporting documents (including the DMO templates and guidelines) by using the text below: We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Anambra State Debt Domestic Report along with all underlying data and both showed different amounts: SDEDR ₦64,800,382,500 and SDDR ₦59,976,318,422.97 respectively. Hence, a difference of (₦4,824,064,077.03). The report was supported with the DMO's templates and guidelines We reviewed and 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 DMO, an APA	N/A	N/A

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

	issue was raised to the State requesting clarification for the identified discrepancies. Conclusions reached in this report are based on the State's response.
	
	c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State have been compared with the State Audited Financial Statement.
	
	d) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement.
	
	e) There were discrepancies noted during the comparison and they are as follows:
	
	    1. SDDR Figure: ₦59,976,318,422.97
	
	    2. AFS Figure: ₦60,300,420,609.36
	
	    3. Difference: ₦324,102,186.39
	
	f) An APA issue has been raised to the State requesting clarification for the discrepancies identified above
	
	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.
	
	h) The debt stock figures reported in the SDEDR, has been compared with those of the SDDR submissions by each state
	
	i) The below were inconsistencies identified:
	
	  Internal Debts
	
	    • SDEDR (DMO) Figure: N64,800,382,500		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		• SDDR (State) Figure: ₦59,976,318,422.97 • Difference: ₦4,824,064,076.62 j) An APA issue has been raised to the State requesting clarification for the discrepancies identified above		
3 New	Has the State published the State Debt Sustainability Analysis Reports (SDSAR) online by 31 December 2020?	a) The State Debt Sustainability Analysis Report (SDSAR) was published on the State's official website. b) The date of publication is 30th December 2020. c) The SDSAR was published before 31 December 2020. IVA obtained screenshots of IT back-end timestamp as evidence d) Weblink: https://www.anambrastate.gov.ng/wp-content/uploads/ANAMBRA-STATE-DSA-REPORT-2020.pdf	Satisfactory	
4 New	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?	Upon review of the State Debt Sustainability Analysis Report (SDSAR), it included the following: (1) Adequate presentation of medium-term budget forecasts, including: (a) Presentation of MTB forecasts (b) Description of assumptions underpinning the MTB forecasts (2) A detailed and adequate description of the debt portfolio and borrowing options which includes the presentation of debt and borrowing projections in the baseline scenario.	Unsatisfactory	The State should ensure that the SDSAR includes a detailed description of the debt portfolio and borrowing options which includes a description of assumptions underpinning the borrowing options.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		esentation of debt and borrowing projections in the baseline scenario.		
		However, the SDSAR did not include a description of assumptions underpinning the borrowing options. Based on DMO Review, 'The presentation and analysis of the debt forecasts and assumptions for the Baseline Scenario do not exhibit an adequate level of logical consistency. This is because the State does not explain its borrowing options despite having budget deficits throughout the whole projected period.''		
		(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year.		
		(4) IVA reviewed, compared, and confirmed that the information (figures) contained in the assessment report of the SDSAR obtained from DMO with that of the SDSAR obtained from the State's website are the same.		
		There were no differences identified		
DLI 8: Improved Clearance/Reduction of Stock of **Domestic Expenditure Arrears**				
DLR 8.0	**Basic Target:** Domestic arrears as of end 2019 and end 2020 are reported in an online publicly-accessible database, with a verification process in place. **Stretch Target:** Domestic arrears as of end 2019 and end 2020 reported in an online publicly-		**Not Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	accessible database, with a verification process in place AND 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 below 5 billion.			
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The State did not establish an Arrears Clearance Framework (ACF) b) The state has not provided a copy of the ACF. c) ACF was not established. d) There was no implementation because ACF is not established.	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) ACF is not established b) IVA was unable to obtain evidence since the State does not have an established ACF No establishment of ACF.	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 ACF has not been published on a State official website. b) ACF was not uploaded for download c) Weblink for ACF download was not done.	Unsatisfactory	The State should ensure the ACF is published on her Official website

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	a) ACF is not established to enable the IVA to ascertain the consistency of clearing arrears. (No established ACF). b) No tests were conducted to confirm that the clearance of arrears is consistent with the ACF.	Unsatisfactory	The State should ensure that the clearance of domestic expenditure arrears is consistent with the ACF

5.	Has the State established an Internal Domestic Arrears Database?	a) The State has not established an Internal Domestic Arrears Database
		
		b) The state did not establish an Internal Domestic Arrears Database.
		
		   a. The aggregate and individual amounts of contractors' arrears not uploaded.
		
		   b. The aggregate amount of pension and gratuity arrears not uploaded.
		
		   c. The aggregate amount of salary arrears and other staff claims not uploaded.
		
		   d. The aggregate amount of other types of domestic arrears not uploaded.
		
		c) There is no verification process in place for the arrears as the database is not established.
		
		d) The State did not conduct verification of arrears balances.
		
		e) The state has no internal domestic arrears database, to enable the IVA to cross-check with State account balances, payroll records, underlying contract data, etc.
			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; the aggregate amount of pension and gratuity arrears; the aggregate amount of salary arrears and other staff claims

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		f) The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)		
6	Has the State published online elements of the internal domestic arrears database for the FY **2019** and FY **2020** reported on a State official website, which constitutes the online publicly accessible arrears database?	a) The State has not published online the required elements of the Internal Domestic Arrears Database as at the end of 2019 and 2020. b) The state does not have an online publicly-accessible arrears database for comparison to ascertain accuracy. c) The state does not have an online accessible database to enable the IVA to carry out efficiency tests. d) The state does not have an online web page that includes a facility for contractors with arrears (creditors) to report any omissions to the State. e) There is no record of complaints by contractors to the state as regards possible omission of contractors' claims. f) There is no online database to enable the state to provide evidence of complaints and how it was treated. g) No online database to conduct this exercise. h) The state did not provide a web link to enable the IVA to carry out this exercise.	Unsatisfactory	The State should ensure they publish online, elements of the Internal domestic arrears database.
7.	Does the online publication include? 1) the aggregate amount of contractors' arrears;	(All mentioned were missing). There was no online publication that contains the names of contractors owed ₦20m in arrears and above.	Unsatisfactory	a) The State should ensure they publish online lists of contractors with recognized arrears

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 ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.							exceeding ₦20 million. b) The state should ensure contractors can verify that their claims are accurately reported

8.	Has the State met the following? (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. -**Stretch target:** At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion. *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*

Aggregate Amount of:	2020	2019	% Diff.
Contractors Arrears	24,653,833,937.58	12,550,165,783.81	-96.4%
Pension and Gratuity arrears	4,886,440,719.72	3,026,182,708.20	-61.5%
Salary arrears and Staff claims			
Judgment Debt	984,603,688.44	984,603,688.44	0%
Other types of domestic expenditure arrears			
Total Domestic Arrears	30,524,878,345.74	16,560,952,180.45	-84.3

a. The State does not have Internal Domestic Arrears (SIDA) database, for comparison with the AFS

Conclusion	Recommendations
Unsatisfactory	The State should ensure a reduction of domestic arrears debt stock to below ₦5 billion

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	previous year, expressed in percentage terms.	$$\frac{\text{₦16,560,952,180.45} - \text{₦30,524,878,345.74}}{\text{₦16,560,952,180.45}} \times 100$$ $$= 84.3$$ The percentage increase 84.3% **Source**: State internal domestic expenditure arrears database		
DLI 9: Improved Debt Sustainability				
DLR 9.0	**Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target:** **-Basic target: < [150%]** **-Stretch target: < [125%]**		**Achieved** (Stretch Target Met)	
1	Has the State met: (i) the ratio of total debt stock at end-of-year (31st December 2020) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2020)? **-Basic target:< [150%]** **-Stretch target: < [125%]**	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison. **Total Public Debt** <table><tr><td></td><td>**Financial Statements (₦)**</td><td>**DMO/SDEDR Figures (₦)**</td></tr><tr><td>Total Domestic Debts</td><td>60,300,420,609.36</td><td>64,800,382,500</td></tr><tr><td>Total External Debts</td><td>42,522,080,252.87</td><td>41,181,077,392</td></tr><tr><td>**Total Public Debts**</td><td>102,822,500,862.23</td><td>105,981,459,892</td></tr></table> **Total Annual Revenue**	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

2020 Adjusted IGR (see DLI 4.2)	25,489,541,201.68
Gross FAAC Allocation	53,879,519,490
Grants	6,958,958,841.44
Other Revenues	
Total Revenue	86,328,019,533.12

The State's domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2020 is at the end of Q4 2020.

We have computed the total debts stock/Revenue percentage for the 2020 year, as follows:

$$\frac{\text{\textnaira}105,981,459,892.00}{\text{\textnaira}86,328,019,533.12} \times 100$$
$$= \mathbf{122.77\%}$$

Sources:

iv. For Total Revenue 2020 Audited Financial Statement, 26 & 27

v. For Total Public Debt from DMO* as at December 31, 2020

vi. NBS/OAGF (FAAC)

a. *Table 3(i) below holds a breakdown of the Total Debt. The debt stock stated in the Federal DMO State Domestic and External Debt Report is not the same as the debt stock stated in the audited financial statement.

b. There are differences

c. The difference has been communicated to the State for an explanation

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		d. The difference has been calculated in value and terms. The SDEDR was not amended and resubmitted to the IVA along with explanations or any changes.		

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

ANAMBRA STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,329,147,260.00
BAIL OUT (SALARIES) (SOURCE CBN)	-
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,117,333,695.00
STATE BONDS	-
COMMERCIAL BANK LOANS	-
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	2,001,693,989.00
INFRASTRUCTURE LOANS (CBN FACILITIES)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	1,422,840,475.00
JUDGEMENT DEBTS	984,603,688.00
GOVT - GOVT DEBTS	404,488,735.00
CONTRACTORS' ARREARS	24,653,833,938.00
PENSION AND GRATUITY ARREARS	4,886,440,720.00
SALARY ARREARS AND OTHER CLAIMS	-
OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	**64,800,382,500.00**
TOTAL EXTERNAL DEBT (TED)	41,181,077,392-
TOTAL PUBLIC DEBT (TED+TDD)	**105,981,459,892.00**

TEMPLATE: OPTION A	₦
Item	2020
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	53,879,519,491
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	36,741,471,198
1.1.1 Gross statutory allocation	32,612,870,946
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	4,128,600,252
1.2 VAT	17,138,048,293
2. Internally Generated Revenues (IGR) – Adjusted	25,489,541,201
3. Grants (internal and external)	6,958,958,841
4A. Other revenues (4.1 + 4.2 + 4.3)	1,741,354,712
4.1 Investment Income (e.g. dividends)	148,200,829
4.2 Interest Earned	1,303,375,976
4.3 Miscellaneous	289,777,907
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	88,069,374,245

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	NONE	
2		
3		
4		