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

## 2020 Annual Performance Assessment (APA) Report

# BAYELSA STATE

**By:**

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

**JUNE 2022**

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# 1. Executive Summary

The report details the outcome of the Annual Performance Assessment (APA) conducted on Bayelsa 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 Bayelsa State and shows areas where the State was able to achieve results. In total, Bayelsa State achieved 9 (Nine) DLRs out of 15 DLRs applicable to the 2020 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 | | The State published the report after the due date. |
| | 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 covered 3% 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 | Achieved | |
| | 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 | | The IGR declined by 27% |
| **DLI 5:** Biometric registration and Bank Verification Number | DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll | Achieved | |

| Disbursement Linked Indicators | Disbursement Linked Results | Results | Remarks |
|---|---|---|---|
| (BVN) used to reduce payroll fraud | DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed | <span style="color:green">■</span> | |
| **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 | | The Law is structured like the UNCITRAL Model Law but does not comply with the requirements. |
| | 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.<br><br>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<br><br>**AND**<br><br>*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 | | There was incomplete publication of contract award information online. |
| **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. | <span style="color:green">■</span> | |
| | 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<br><br>**AND**<br><br>Annual State debt sustainability analysis published by end of December 2020 | <span style="color:green">■</span> | |
| **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.<br><br>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 not established Internal Domestic Arrears Database [or it does not include the required information]<br>• The percentage decline in the verified stock of domestic arrears was less than 5% [or the stock of arrears was above 5 billion] |

| Disbursement Linked Indicators | Disbursement Linked Results | Results | Remarks |
|---|---|---|---|
| **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> Budget implementation reports should be published at the due 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. 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 4.2</u>: Improve its IGR collection to achieve significant year-on-year growth in nominal IGR.

4. <u>DLR 6.1:</u> Amend the Procurement Law to comply fully with the provision for the establishment of an independent Procurement Regulatory Agency per the UNCITRAL Model Law.

5. <u>DLR 6.2</u>: Contract award information, above the set threshold, should be published online every month in OCDS format on the State's website. Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs.

6. <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 experts in Tax, Procurement, and Debt Management Office (DMO) for Debt Management-related DLRs to review the returns in place in this State.

### 2.2    Scope

This Annual Performance Assessment (APA) Report covers the State's performance in 2020 against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines, and verification protocol.  Each State was earlier assessed against the Eligibility Criteria set in the protocol, to determine the state's eligibility for grants under the 2020 APA.

The verification protocol was set early in the preparation for the Program and all States. Implementing agencies and other key stakeholders have been continuously sensitized on the program's requirements and the protocol for 2020. The assessment results are binary (Pass or Fail), as that is how the Program for Results was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between 07/02/2022 and 11/02/2022 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 final conclusions from the work done are set out in this Report.
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<br><br>**Q1**<br>https://www.mof.by.gov.ng/files/2020%20FIRST%20QUARTER%20BUDGET%20REPORT.pdf<br><br>**Q2**<br>https://www.mof.by.gov.ng/files/2020%20SECOND%20QUARTER%20BUDGET%20REPORT.pdf<br><br>**Q3**<br>https://www.mof.by.gov.ng/files/2020%20THIRD%20QUARTER%20BUDGET%20IMPLEMENTATION%20REPORT.pdf | 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**<br>https://www.mof.by.gov.ng/files/2020%20FOURTH%20QUARTER%20BUDGET%20IMPLEMENTATION%20REPORT.pdf<br>• Q1 - (21/08/2020) – 144 days - 22 weeks<br>• Q2 – (21/08/2020)- 52 days – 7.4 weeks<br>• Q3 – (29/10/2020) - 29 days - 4.1weeks<br>• Q4 – (29/01/2021) - 29 days - 4.1weeks<br><br>110 days divided by 3 = Average 36.67days (5.2 weeks) for the online publications were computed based on the last 3 quarters, as below:<br><br>$$= \frac{7.4+4.1+4.1}{3}$$<br><br>=36.67 days (5.2 Weeks)<br><br>We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2020, obtained and retained evidence of the timestamp of the publications.<br><br>An APA Issue was raised for the delay in publication of the quarterly implementation reports and the State responded that "the first quarter Budget report was uploaded on the 30th of June 2020 while the second quarter Budget report was uploaded on the 20th of July 2020. At that time, our website had no timestamp feature. The transaction authorization forms are hereby presented to the IVA as our evidence".<br><br>Based on the APA Response:<br>(a) Q1 - (30/06/2020) - 91 days - 13.0 weeks<br>(b) Q2 – (20/07/2020)- 20 days - 2.8 weeks | | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | (c) Q3 – (29/10/2020) - 29 days - 4.1<br>(d) Q4 – (29/01/2021) - 29 days - 4.1<br>The average days and weeks for the online publication are computed as below:<br><br>$$\frac{2.8+4.1+4.1}{3}$$<br>=26 days (3.7 Weeks)<br><br>However, the IVA has concluded that based on the information from the front-end timestamp, the average of 5.2 weeks will be adopted. This is above the requirement for the DLR. | | |
| 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. | From our review of the Quarterly Budget Implementation reports downloaded from the State's website (see weblinks above) we observed the following:<br><br>a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures.<br><br>b) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date.<br><br>c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations.<br><br>d) The State has a revised budget | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | e) The Budget Implementation Reports showed both the approved original budget and the approved revised budgets.<br><br>The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations. | | |
| 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, it did not state the actual expenditures for each quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date. | 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 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 | Upon review of the State's Budget Performance reports, it stated the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which included debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications. | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | attributable to any of the other three (3) 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 expenditure and expressed in positive percentage terms?<br><br>Is the expenditure outturn deviation computed less than 15% | The State computed the budget deviation for 2020 to be (1.0%)<br><br>The IVA computed the budget deviation for this APA year. See the computation below:<br><br>| | Total Amended Budget ₦ | Actual ₦ |<br>|---|---|---|<br>| Capital (pg1 &19) | 34,784,246,602.57 | 38,095,730,059.05 |<br>| Rec. Exp (Pg1 & 18) | 148,371,325,809.16 | 146,715,928,728.08 |<br>| Total | 183,155,572,411.73 | 184,811,658,787.13 |<br><br>$$\frac{₦183,155,572,411.73 - ₦184,811,658,787.13}{₦183,155,572,411.73} \times 100$$<br><br>$$= -1.0\%$$<br><br>The budget performance deviation is -1.0%%<br><br>**Source**: The Year 2020 Audited Financial Statement, Statement 3, Pages 19 & 18, and Approved Budget Expenditure and Actual Expenditure Summary Page 1, via https://www.mof.by.gov.ng/budget | Satisfactory | |
| **DLI 2: Increased Openness-+ and Citizens' Engagement** | | | | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| **in the Budget Process** | | | | |
| **DLR 2.1** | **Citizens' inputs from formal public consultations are published online, along with the proposed FY [2021] budget** | | **Achieved** | |
| 1 | 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 documents obtained and reviewed from which our conclusions were drawn include minutes of the meeting, attendance list, pictures, which have been retained in the assessment file.<br><br>a) IVA confirmed some of the LGAs that were in attendance (i) Ogbia LGA (ii) Ekeremo LGA (iii) Yenagoa LGA (iv) Sagbama LGA (v) **Southern** Ijaw (vi) Nembe LGA (vii) Kolokuma / Opokoma LGA (viii) Brass LGA).<br>b) IVA confirmed some of the CSOs representatives in attendance (i) Chief Patrick Ogun (ii) Mrs. Particia Egbegi (iii) Barrister Stanley Churchill (iv) Honest Yan (v) Eunice Akene (vi) Eunice Akene (vii) Dise S Ogbise (viii) Georgina Otepako (ix) Bekeowen E Mary (x) Juliet Pulu.<br>c) The sources of information from which our conclusions were drawn include minutes of the meeting, attendance, pictures, etc which have been retained in the assessment file.<br>d) The date of the consultation was 21st September 2020, and the venue was Harold Dappa-Biriye Conference Hall Government House, Onopa-Yenagoa.<br>e) 10 attendees were called to confirm their attendance at the public consultation. | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | f) The budget was drafted on 30th December 2020. <br> g) IVA compared the dates of the consultation and the date of the Draft Budget. While the date of consultation was 21st September 2020, the date of the draft budget was 30th December 2020. Hence, the public consultation was done first. <br> h) The proposed budget was published on the 31st January 2021, which was on the 31st January 2021. The timestamp evidence showing the publication date from the States website has been retained in the assessment file. <br> i) The weblink for the publication of the proposed budget is https://www.mof.by.gov.ng/budget (BYSG 2020 REVISED BUDGET.zip) | | |
| 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) No CSO co-signed the Minutes. <br> IVA issued an APA and the State responded that "the unsigned copy was mistakenly uploaded. However, a signed hard copy was made available to the IVA (See the response in the file) and a copy of the minutes has been retained on file. <br> Based on the APA response, the CSO that co-signed the minutes is Dr. (Mrs) Mary John. <br> b) The title of the document is "A REPORT OF CITIZENSHIP PARTICIPATORY MEETING FOR THE PREPARATION OF THE 202I BUDGET" dated 21st September 2020. <br> c) The CSO signatory to the minutes of meeting represented Women Group. <br> d) The weblink to the publication is https://www.mof.by.gov.ng/files/CITIZENSHIP%20 BUDGET%20PARTICIPATION%202021.pdf | Satisfactory | |
| **DLR 2.2** | **Evidence of dissemination event to explain** | | **Achieved** | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | 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 | | | |
| 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) A review was done on all required documents, physical pictures with a list of attendees with names, organizations, email addresses.<br>b) The Amended Budget and the evidence of the dissemination events have been downloaded.<br>c) The dissemination event was done physically on the 27th July 2020.<br>d) The dissemination event was published online on 16th September 2020 as a zip document titled "BYSG 2020 CITIZENS REVISED BUDGET.zip" which was before the September 30th 2020, deadline. The evidence of dissemination event was published online by the State and a copy has been downloaded. Screenshot of timestamp from the website has been retained.<br>e) IVA confirmed that the dissemination event was published in the same location as the Amended FY20 budget. The State website https://www.mof.by.gov.ng<br>f) The date of publication of the evidence of the dissemination events was 16th September 2020. Also, the evidence obtained to confirm the dates include attendance, minutes, and pictures. | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | g) The weblink of the publication is https://www.mof.by.gov.ng/files/BYSG%202020%20CITIZENS%20REVISED%20BUDGET.zip | | |
| 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? | a) The Citizens Budget based on the Amended Budget (2020) was published on the 16th September 2020, before the due date via (https://www.mof.by.gov.ng/budget), and accessed on 8th February.<br><br>b) A comparison of the Amended Budget 2020 with the Citizens Budget was done and there were no significant areas of discrepancies.<br><br>c) The Citizen's Budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template; there were no discrepancies among the following:<br><br>  I.  There was a simple explanation of the annual amended budget/citizens budget. Pages 2 & 20.<br><br>  II.  The sources of revenues include Internally Generated Revenue, Statutory Allocation, Value Added Tax, Domestic Grants, Foreign Grants, Domestic Loans, Opening Balance, and other revenue Pages 5 & 6.<br><br>  III.  Value of domestic and foreign grants, domestic loans, and other financing sources were stated on Pages 5 & 6.<br><br>  IV.  Total expenditure by economic classifications. Page 11<br><br>  V.  The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. Page 8<br><br>  VI.  Disclosure of Budget deficit (if any) and how it will be financed. Page 8 | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | VII.     Sectoral Allocation (by MDAs). Ministry of Health, Ministry of Agriculture, Ministry of Environment, Ministry of Works and Transport, Ministry of Education. Pages 12 -13.<br>VIII.     Top Projects to be financed (at least 5). Page 14.<br>d)   Minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included.<br>e)   The suggested format was used, and no differences identified. | | |
| 3 | Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget? | a)   The Citizens Budget included an explanation of the key changes between the Original FY20 Budget and the Amended FY20 Budget (Pages 4 & 20).<br>b)   The Citizens Budget included Data on reallocations and adjusted spending priorities (Pages 10-11).<br><br>IVA confirmed that the amended FY20 State Budget was summarized in a comprehensible manner to the Citizens in the Citizens Budget. | Satisfactory | |
| 4 | Does the State website have functional feedback and response online mechanisms? | a)   The State has established a functional feedback and response mechanism on its website.<br>b)   The type of feedback mechanism established on the State's website is a provision of email and telephone numbers for inquiries.<br>c)   The State's feedback mechanism provides at a minimum the following:<br>    i.   Acknowledgement of receipt of comments/feedbacks from citizens.<br>   ii.   State responds to comments/feedbacks.<br>  iii.   Display of timeframe and State government contact details. | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | d) The IVA sent an email to the email address provided on the website to ascertain the functionality of the feedback mechanism. There was an acknowledgement of the email and subsequent response to the inquiry in the email. Screenshot of mail sent, and the response received is saved in the assessment file. <br> e) A demonstration was done by the State Ministry of Finance to provide further evidence to demonstrate how the State has responded to feedback submitted online and phone calls. Phone calls were put through to the State's official lines provided on the website and there was effective communication +234 (0) 803 674 6256, +234 (0) 803 423 6054. <br> f) IVA concluded that the State's feedback mechanism is functional. <br> g) The web link is https://www.mof.by.gov.ng | | |
| **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. <br> b) The State operates multiple accounts. See details below: <br> • IGR Main Account: BAYELSA STATE BOARD OF INTERNAL REVENUE CONSOLIDATED IGR ACCOUNT, Access Bank, Account No. 0762327676 | Unsatisfactory | The State should establish a functional state-level TSA |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | Conclusion | Recommendations |
|---|---|---|---|
| | • FAAC Account: BYSG CONSOLIDATED REV ACC FAAC Sterling Bank, Account No. 0019328680<br>• VAT Account: BYSG VAT ACCOUNT, Sterling Bank, Account No. 0015208836<br><br>The IVA noted that the State provided a TSA Access Bank Account number different from the TSA Account number provided during the 2019 APA. Therefore, the State is required to provide explanations and the reason for the change of bank account and when the change occurred with documentary evidence while responding to this report.<br>The State did not respond to the request. | | |
| 2 | Is there a formally approved cash management strategy in place?<br><br>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<br><br>a) The Document is called the Bayelsa State Government of Nigeria Cash Management Policy<br><br>b) It was produced in 2019 and signed by the Accountant General and Permanent Secretary Bayelsa State Ministry of Finance<br><br>c) The Strategy includes 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. Page 10 (Payment from TSA) of the Cash Management Policy details this requirement.<br><br>d) The Strategy states that sweeping shall be done once a month (on the 1st working day of the succeeding month). Page 9 – 10 (Revenue Sweeping Policy). | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | e) The State provided their Cash Inflows and monthly Cash releases as evidence of the implementation of processes described in the cash management strategy 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)? | The State has a computer application where the State can view the cash balances in the bank account(s).<br>a) The application is called "Revenue House" produced by the BIRS, ICT Team.<br>b) It is in line with the approved cash management strategy.<br>c) It was first deployed in September 2015 and further upgraded in 2018. | Satisfactory | |
| 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) Interviews were conducted and questionnaires completed by relevant government officials, TSA Bank operators, and a review of the State's TSA bank Statements showed that not all the IGR was brought into the TSA.<br>b) The TSA Bank is Access Bank, Account No. 0762327676<br>c) Not all Government monies go through this account.<br>d) All Government monies do not sit in the other revenue collecting banks.<br>e) The TSA bank Statement was obtained. | Unsatisfactory | The State's TSA should have one consolidated revenue treasury account for state revenues (FAAC and IGR) |
| 5 | Does the TSA cover a minimum of 70% of the State Government's finances? | The IVA 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.<br><br>See the computation below: | Unsatisfactory | The State's TSA should cover all Government Finances. |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | Conclusion | Recommendations |
|---|---|---|---|
| | | Total Inflows (₦) | Total Outflows (₦) | | |
| | TSA Bank Statement | 6,540,740,338.88 | 8,664,994,896.01 | | |
| | Government Finances* | 191,242,582,077.01 | 184,811,658,787.13 | | |
| | **Percentage** | **3** | **5** | | |

The average percentage computation is:

$$= \underline{3\% + 5\%}$$

$$2$$

$$= 4\%$$

The TSA covered 4% of the State's finances.

*Sources: 2020 Audited Financial Statement (Cashflow Statement) Page 15 and the TSA Statement from Access Bank from January 2020 - December 2020).

| | | | | |
|---|---|---|---|---|
| **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 | | **Achieved** | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | **approved by the state legislature and published** | | | |
| 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 extant Revenue Law for the State is called the Revenue Administration Law 2021 and it was assented into law by the Governor on the 29th of July 2021.<br>b) The Revenue Code & rates are not separate from the Revenue Law.<br>c) The State's revenue code does not contain more than one law.<br>d) The Revenue Code was approved on the 29th of July 2021.<br>e) The weblinks for the Revenue law, Code, is: https://www.mof.by.gov.ng/files/REVENUE%20AD MINISTRATION%20LAW%202021.pdf<br>f) The code included all State IGR sources and the LGs IGR sources (falling under the State).<br>g) The consolidated revenue code included the rate chargeable for all IGR sources.<br><br>This is a 2021 APA result that has been assessed early and it is a one-off DLR. | Satisfactory | |
| 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) IVA noted during the review of the State Revenue Law that it is implied that the BIR is the Sole Agency responsible for State revenue collecting and accounting. See Section 16(2) of the Revenue Law.<br>b) The expert review stated that Section 16(2) the Bayelsa State Internal Revenue Service shall be the sole authority to collect and account for all Taxes, Levies, Fees, Charges and Rates in the State as | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | listed in the First, Third, Fourth and Fifth Schedules to this Law. <br> c) IVA confirmed that both conclusions are aligned (the conclusions in DLR 4.1.2 a and b). | | |
| 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) Confirmation from the SBIR/SIRS indicated that the collection of revenues was made into accounts nominated by them. Documentary evidence of letters to the Bank requesting for such accounts to be opened was obtained and saved in the file. <br> b) The IVA confirmed that the SBIR/SIRS has full oversight of accounts and is responsible for reporting and accounting for the revenues. | Satisfactory | |
| 4 | Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? <br><br> 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) The revenue code was approved by the State Legislature on the 29th of July, 2021 <br> b) It was assented to by the Governor on the 29th of July, 2021. | Satisfactory | |
| 5 | Is the Publication published online, so it is automatically available to the public/all taxpayers? | a) IVA was able to download and retain in the assessment file a copy of the Law, code, and rates. <br> b) The publication was assessed on Tuesday 10th of February 2022. The exact time it was accessed was not taken note of at the time of accessing it. <br> c) The weblink of the publication is: https://www.mof.by.gov.ng/files/REVENUE%20ADMINISTRATION%20LAW%202021.pdf | Satisfactory | |

| 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** | | **Not Achieved** | |
| 1 | Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets?<br><br>**Basic Target:** N/A<br><br>**Stretch Target:** equal to or higher than the 2019 nominal IGR collection | a. The State used the Cash Basis of Accounting for revenue reporting in 2019 and 2020 from the Audited Financial Statements.<br>b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below: | Unsatisfactory | The State should ensure significant year-on-year improvements in its IGR collection. |

| REPORTING TEMPLATE: OPTION A | NGN | | % GROWTH |
|---|---|---|---|
| **Item** | **2019** | **2020** | |
| **Memo: Reported IGR in AFS (Before Adjustments)** | **16,808,226,982** | **12,496,030,320** | **-26%** |
| | | | |
| VALID IGR items to be counted as IGR | **16,689,356,409** | **12,154,510,118** | |
| Direct Tax | 16,022,124,725 | 10,364,773,134 | |
| Personal Income Tax (PAYE) | | | |
| Licenses | 22,813,216 | 4,810,000 | |
| Levies | | | |
| Fees | 114,207,775 | 1,391,849,811 | |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | | | | Conclusion | Recommendations |
|---|---|---|---|---|---|---|
| | Fines | 3,594,670 | 3,978,063 | | | |
| | Charges | | | | | |
| | Sales of goods and services | 453,251,000 | 571,994,410 | | | |
| | Earnings (Excluding interest or investment income) | 73,365,023 | | | | |
| | Rent of Govt property/building | | 17,104,700 | | | |
| | *Other* | | | | | |
| | | | | | | |
| | **"Adjusted IGR" for DLI 4.2 Calculation** | | | | | |
| | **Sum of all VALID items of IGR if AFS has that detail** | **16,689,356,409** | **12,354,510,118** | **-27%** | | |

$$= \frac{\text{₦}12,354,510,118 - \text{₦}16,689,356,409}{\text{₦}16,689,356,409} \times 100$$

$$= -27\%$$

There is a decline in growth by 25.9%

Source: 2020 Audited Financial Statement Page 15

**DLI 5: Biometric Registration and Bank Verification Number (BVN)**

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| **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 data gathering of biometrics in 2009 while the revalidation exercise took off in December 2018 and the exercise is still ongoing.<br><br>a) The Biometric data capture of the civil servants and pensioners was outsourced to a consultant. The name of the consultant is Soft Alliance and Resources Limited.<br>b) The total number of civil servants is 21,299<br>c) The total number of pensioners is 6,824.<br>d) The total number of staff on the State Nominal roll is 21,299 while the number of staff on the payroll is 28,123 comprising the total number of civil servants 21,299 and total number of Pensioners 6,824.<br><br>In 2019, the State captured staff in tertiary institutions as part of the civil servant, hence the increase in the number of civil servants in 2019.<br><br>In 2020 this component was removed and they were paid independently as advised by the Governor, so only core State civil servants were captured in 2020. For pensioners, the increase in pensioners was as a result of civil servants that retired in 2020. | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | e) The total number of 27,197 persons comprising 20,373 Civil Servants and 6,824 Pensioners had been captured in the Biometrics Database.<br>f) The documents obtained in concluding are:<br><br>   I.   Salary/Payroll Report for 2020 Payroll year from Head/Central Payroll Unit (pages 1 & 2);<br>   II.   Bayelsa State Auditor-General's Payroll Audit Report for the Year ended 31st December, 2020 (pages 1 & 2);<br>   III.   Bayelsa State Biometrics and BVN Reports as at 31st December 2020 (page 1).<br>   IV.   Bayelsa State Employee Biometrics Revalidation 2020 Annual Report (page 1).<br><br>$$\frac{\text{No of Biometric Data Captured}}{\text{Total No of Civil Servants + Pensioners on payroll}} \times 100$$<br><br>$$= \frac{27{,}197}{20{,}373 + 6{,}824} \times \frac{100}{1}$$<br><br>$$= 96.7\%$$<br><br>The State had captured the biometrics data for 96.7% 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 linkage of the biometric data to the payroll in 2020 and the process is still ongoing.<br>b) The total number of 27,197 persons comprising 20,373 Civil Servants and 6,824 Pensioners with Biometrics data captured had been linked to payroll.<br>c) During the Biometrics data linkage to payroll, a total number of 366 ghost workers including 167 | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | Conclusion | Recommendations |
|---|---|---|---|
| | civil servants and 199 dead pensioners were detected and removed from the payroll database. | | |
| | d) The payroll figure before the removal of ghost workers and ghost pensioners from the payroll was ₦57,477,800,633.40, while the payroll figure after the removal of ghost workers and ghost pensioners from payroll was ₦56,355,212,787.18. A total of ₦1,122,587,846.22 was saved from the ghost workers detected to the Bayelsa State Government in 2020. | | |
| | e) In the 2020 financial year, there were in-year changes to the civil servants and pensioners' payrolls as a result of ghost workers and dead pensioners detected on the payroll which are being captured by the biometric exercise. | | |
| | 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 as follows: | | |
| |    I.   The identified ghost workers and dead Pensioners by the respective MDAs are reported to the Accountant-General of the State. | | |
| |   II.   The State Accountant-General conveys the ghost workers and dead pensioners reported to the Head of Service for further directive. | | |
| |  III.   Upon receipt of the report from the State Accountant-General, the Head of Service (after satisfying herself with the State Accountant-General's report) directs the State Accountant-General to remove the names identified from the payroll. | | |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | Conclusion | Recommendations |
|---|---|---|---|
| | IV.   The State Accountant-General then instructs the Central Payroll Unit to act on the removal.<br>V.   The Central Payroll Unit removes the ghost workers from the payroll immediately, notifying the affected MDAs accordingly.<br><br>g)  There were changes to the civil servant and pensioner payrolls during the fiscal year as a result of starters, leavers, deaths.<br>h)  These changes were captured by the biometric exercise.<br>i)  The procedures in place to identify and remove ghost workers are:<br><br>I.   The identified ghost workers and dead Pensioners by the respective MDAs are reported to the Accountant-General of the State.<br>II.   The State Accountant-General conveys the ghost workers and dead pensioners reported to the Head of Service for further directive.<br>III.   Upon receipt of the report from the State Accountant-General, the Head of Service (after satisfying herself with the State Accountant-General's report) directs the State Accountant-General to remove the names identified from the payroll.<br>IV.   The State Accountant-General then instructs the Central Payroll Unit to act on the removal.<br>V.   The Central Payroll Unit removes the ghost workers from the payroll immediately; notifying the affected MDAs accordingly. | | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| 3 | Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed? | a) During the Biometrics linkage to payroll, a total number of 366 confirmed ghost workers including 167 civil servants and 199 dead pensioners were detected and removed from the payroll database.<br><br>b) The record that was kept for the identified ghost workers is the Bayelsa State Salary/Payroll Report for the 2020 Payroll year from the Head/Central Payroll Unit.<br><br>c) These ghost workers were identified in October 2020 and were removed from the payroll in November 2020. The ghost workers and ghost pensioners were removed within three (3) months of each case being confirmed. Screenshots evidence was taken from the payroll on the month of detection in October 2020 and the month of removal from the payroll in November 2020.<br><br>d) The payroll figure before the removal of ghost workers and ghost pensioners from the payroll was ₦57,477,800,633.40.<br><br>e) The payroll figure after the removal of ghost workers and ghost pensioners from payroll was ₦56,355,212,787.18. A total of ₦1,122,587,846.22 was saved by the State Government in 2020 due to the removal of ghost workers.<br><br>f) The records of identified ghost workers were documented in the following:<br><br>  I. Bayelsa State Salary/Payroll Report for 2020 Payroll year from Head/Central Payroll Unit (page 2).<br>  II. Bayelsa State Auditor-General's Payroll Audit Report for the Year Ended 31st December 2020 (page 2). | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| **5.2** | **Link BVN data to at least [90] 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 90% of its current Civil Servants and pensioners on the State payroll? | The State commenced and completed the BVN data capture of the civil servants and pensioners in 2020.<br><br>a) The BVN data capture of the civil servants and pensioners was outsourced. The name of the consultant is Soft Alliance and Resources Limited.<br>b) The total number of civil servants is 21,299.<br>c) The total number of pensioners is 6,824.<br>d) The total number of staff on the State Nominal roll is 28,123 comprising 21,299 Civil Servants and 6,824 Pensioners.<br><br>In 2019, the State captured staff in tertiary institutions as part of the civil servant, hence the increase in the number of civil servants in 2019.<br><br>In 2020 this component was removed and they were paid independently as advised by the Governor, so only core State civil servants were captured in 2020. For pensioners, the increase in pensioners was as a result of civil servants that retired in 2020.<br><br>e) The total number of civil servants and pensioners whose BVN data have been linked to the payroll is 28,123.<br>f) The documents obtained for the conclusion are:<br>  (i) Payroll register<br>  (ii) Salary/Payroll Report for 2020 Payroll Year.<br>  (iii) Bayelsa State Auditor-General's Payroll Audit Report for the Year Ended 31st December, | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | 2020.<br>(iv) Bayelsa State Biometrics and BVN Reports as at 31st December 2020.<br>(v) Screenshots of the Payroll system from Softsuite Application System was obtained and retained in the assessment file.<br><br>No of BVN Data Linked x 100<br>Total No of Civil Servants + Pensioners on payroll<br>= 28,123 x 100<br>28,123<br>= 100%<br>The State has linked 100 % of the State's civil servants and pensioners' BVN data to the payroll. | | |
| 2 | Has the State taken steps to identify payroll fraud? | a) The total number of civil servants and pensioners with BVN data is 28,123, while no civil servants and pensioners are without BVN data in the State.<br>b) The records kept for the identified payroll fraud are the Bayelsa State Salary/Payroll Report file.<br>c) The payroll frauds were identified in October 2020 and were removed from payroll in November 2020.<br>d) The payroll figure before the fraud identification was ₦57,477,800,633.40.<br>e) The payroll figure after the fraud was dealt with and removed from further payments was ₦56,023,319,236.34. The payroll figure after the removal of ghost workers and ghost pensioners from payroll was ₦56,355,212,787.18. A total of ₦1,122,587,846.22 was saved by the State Government in 2020 due to the removal of ghost workers.<br>f) The sources of this information were: | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | I.   Bayelsa State Salary/Payroll Report for 2020 Payroll year from Head/Central Payroll Unit (page 2).<br>II.   Bayelsa State Auditor-General's Payroll Audit Report for the Year Ended 31st December 2020 (page 2). | | |
| **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** | | **Not Achieved** | |
| 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? | a)   The State has a public procurement legal framework called PUBLIC PROCUREMENT (REPEAL AND RE-ENACTMENT) LAW, 2020<br>b)   It has been approved by the State legislature as a law.<br>c)   It was passed on the 10th of December 2020 and assented by the Governor on the 14th of December 2020. | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | d) The Procurement Law has been passed.<br><br>e) The authorizing office is the office of the Governor.<br><br>f) The date of approval of the law is the 14th December 2020 | | |
| 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. | The law conforms with the UNCITRAL Model law though some amendments need to be made.<br><br>a. The team's review of the Procurement Law is that the procurement regulatory agency should have independent functions from the Central Procurement Board.<br><br>&bull; E-Procurement: This is in Part XII, Section 95.<br><br>&bull; Establishment of an independent procurement regulatory agency: Part II, Section 6<br><br>&bull; Cover all MDAs receiving funds from the State budget: This is in Part III, Section 22<br><br>b. All references to sections of the law by the expert are checked and correct. The result of the expert on the Procurement Law stated that "even though the law is structured after the UNCITRAL Model Law, some provisions fail to maintain the separation of procurement implementation functions from procurement regulatory functions which is the hallmark of the UNCITRAL system"<br><br>c. Team conclusions and expert conclusions are aligned<br><br>d. Team conclusions and expert conclusions are aligned. | Unsatisfactory | The State should amend its draft legislation to ensure it provides for grounds for removal of Chief Executive of the agency as follows:<br><br>Amend to delete S. 3 (1) (a)-(e)<br><br>The power to remove a member of the Council by the Governor under S. 3(1) (e) is arbitrary.<br><br>Amend to delete S. 5 (f).<br><br>The power to remove the Director-General by the Governor under section 11(5) |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | Conclusion | Recommendations |
|---|---|---|---|
| | The Bayelsa State Public Procurement Law is not structured in line with the UNCITRAL Model Law and does not meet the requirements as shown below: | | (f) is too broad and can be easily abused. |
| | 1. **E-Procurement -** We noted the following during our review of legislation; | | Amend the law to grant full regulatory powers to the Bureau/Council to issues regulations on issues contained in Section 17 (a) – (e) |
| | a) The Board shall design and set up a secure electronic portal to be known as the Bayelsa Government Electronic Procurement System which shall be the primary source of information for all public procurement matters and opportunities within the purview of this Law and its regulations issued under this Law. S. 95 (1) | | |
| | b) The Bureau in collaboration with procurement entities shall promptly and routinely publish procurement information on the Government electronic procurement system under Subsection (1) of this Section in Open Contracting Data Standards (OCDS) format, for all procurements that are above the threshold prescribed in the regulations or guidelines made under this Law. S. 95 (3) | | |
| | The law, therefore, complies with the requirements for e-procurement. | | |
| | 2. **Independence -** The results of our assessment of the legislation for independence are in the table below: | | |

| Required Provisions* | Result |
|---|---|
| | |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | | Conclusion | Recommendations |
|---|---|---|---|---|
| | The Functions and Powers of the Agency | Compliant; see sections Part II, Section 8 & 9 | | |
| | The composition of the board | Compliant; See Part I, Section 1(2) | | |
| | Membership of the Board/Council includes representatives from professional bodies and associations. | Compliant; see sections Part I, Section 1(2) | | |
| | The grounds for removal of the Chief Executive of the agency. | Not Compliant | | |
| | Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review | Compliant; See Section Part V, Section 81(5) | | |

*Provided by the World Bank

3. **Establishment of an independent procurement regulatory agency** -

a) The law provides for the establishment of an independent procurement regulatory agency called the Due Process Bureau. Part II, Section 6-8

b) The law covers all MDAs receiving funds from the State budget. Part III, Section 22

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | The State responded as follows: | | |
| | | "DLI 6.1 Bayelsa State Procurement Law went through all the technical sessions of the Nigeria Governors' Forum (NGF) and was approved for Governor's assent. | | |
| | | The ground for the removal of the Chief Executive of the Agency is explicitly stated in Part 2 Section 11 Subsection 5 of the Public Procurement (Repeal and Re-enactment) Law 2020 of Bayelsa State. | | |
| | | Please find attached our Procurement Law and final review by NGF." | | |
| | | However, the distribution of functions, powers and duties between the Council, Bureau and Central Procurement Board is convoluted and diminishes the regulatory authority of the Bureau. The Bureau can hardly be said to be independent when its powers are circumscribed and are performed by the Board, which also functions as a Central Procuring Entity. | | |
| 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? | a) The State has instituted an independent procurement regulatory function called the " Due Process Bureau" established in the year 2009, responsible for prescribing regulations and procedures for public procurements by the State's law.<br><br>b) It is being performed through a Bureau.<br><br>c) The agency is responsible for prescribing regulations and procedures for public procurements by the legal framework<br><br>d) The evidence we obtained to demonstrate that the regulatory agency is active and effective are pictures from the visit to the Bureau and | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | Conclusion | Recommendations |
|---|---|---|---|
| | questionnaires filled by the Director-General and staff of the Bureau. IVA also reviewed the cases/transactions handled in 2020.<br><br>e) The number of records of procurements/cases/transactions handled by the Agency that were used in performing the walkthrough to confirm the effective handling of the selected cases is 5.<br><br>● The IVA checked to see that the 5 cases were handled effectively by checking if they went through the procurement life cycle.<br><br>● The team visited the Bureau and interviewed the Director-General of the Bureau, Mr. Aaron Nicidemus Timiye, 3 management staff (Head of HR- Mr. Tari M. Ofongo, Head, Procurement Department- Mrs. Theresa Angaye, Director, Price Intelligence- Mr. Richard Afenifa) and 2 other staff of the Bureau (Procurement Officer- Mr. Fieye Sam-Ateki and Head, ICT Unit- Mr. Josiah Onyesi), conducted a physical inspection of the Bureau and took pictures of the Bureau which were retained in the assessment file.<br><br>● It was concluded that the bureau was active in 2020. | | |
| 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** | | **Not Achieved** | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | State's procurement law/regulation every month in OCDS format on the state website or online portal if available. <br><br> **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** <br><br> **AND** <br><br> **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 | a) The IVA has obtained a schedule of all contracts awarded during the year under assessment, although there was no official documented threshold. <br><br> b) The data published is in line with the Open Contracting Data Standards (OCDS) | Unsatisfactory | The State should publish all contract award information online |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)? | c) The data is published monthly.<br><br>d) The source of publication is from the ministry of finance. https://bayelsa.stateopencontracting.com/ContractsReport.aspx<br><br>It was noted that:<br><br>● The awards published were for January 2020. The months February to December 2020 were not published<br><br>The online publication contained only 26 contracts. This is not credible especially in the context of the State 2020 Annual budget for Capital and overheads, and as there was no threshold for publication.<br><br>● There was no threshold stated in the law.<br><br>● IVA downloaded and retained a copy of the online publication<br><br>● IVA retained a screenshot of the webpage from which the publication was downloaded<br><br>e) The data published is in line with the Open Contracting Data Standards (OCDS) template provided:<br><br>i) Project Name<br><br>ii) Awarding institution<br><br>iii) Award date<br><br>iv) Name of contractor | | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | v) Contract amount | | |
| | | f) All the items from (e) above were published | | |
| | | g) Weblink where data was published: https://bayelsa.stateopencontracting.com/ContractsReport.aspx | | |
| | | The contract award information published on the Ministry of Finance website was accessible to the public. | | |
| 2<br><br>New | Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020? | a) The State has signed the SaaS e-Procurement Framework Contract.<br><br>b) A copy of the SaaS e-Procurement Framework Contract has been obtained.<br><br>c) The State has signed the SaaS e-Procurement Framework Contract. | Satisfactory | |
| 3<br><br>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).<br><br>b) A walkthrough of the 5 transactions from each MDA has not been done (with at least 2 categories of expenditure from goods, works, or services).<br><br>c) The State has not implemented e-procurement in at least 3 MDAs (Education, Health, and Public Works).<br><br>d) The State has not implemented the E-Publishing/Notification module for contract notice and contract award. | 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). |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | IVA confirmed that it was not effective during the year 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.** | | **Achieved** | |
| 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 Public Financial Management Law? | a)  The State has provided copies of their approved state-level public debt legislation.<br><br>b)    Date(s) of approval/assent are:<br><br>(i) Debt Management Law 2009- 5/11/2009<br><br>(ii)  Debt  Management  Law  (Amendment)  - 21/05/2020.<br><br>(iii)  Debt  Management  Law  (Amendment  no  2- 14/12/2020.<br><br>(iv)  Debt  Management  Law  (Amendment  no  3- 28/06/2021.<br><br>(v) Fiscal Responsibility Law 2008- 18/09/2009<br><br>(vi)  Fiscal  Responsibility  Law  (Amendment  No 1) 2012- 02/05/2012. | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | (vii) Fiscal Responsibility Law (Amendment No 2) 2020- 21/05/2020 | | |
| | | (viii) Fiscal Responsibility Law (Amendment No 3) 2020- 14/12/2020. | | |
| 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. | The legislation included all the required provisions as stated below: a) (i) Responsibility for contracting state debt was satisfied by section 17(1), section 5(e), 5(f), 5(g), 5(h) of the DMO Law, 3(1)(o) of the DMO amendment law, section 3 (1)(r) of the DMO Amendment law no. 3 and section 46(7) of the FRL Amendment no. 3 (ii). Responsibility for recording state debt was satisfied by Section3(1)b of DMOL (iii). Debt rules/Fiscal Limits was satisfied by Section 3(3) of the DMO Amendment Law no 1 b) Results of the expert review have been obtained and retained in the assessment file. All the references to sections of the laws have been checked. c) Team conclusions and expert conclusions are aligned. d) Team conclusions and expert conclusions are aligned. Criteria 1: The legislation includes provisions that establish the responsibilities for contracting state debt: section 17(1), section 5(e), 5(f), 5(g), 5(h) | Satisfactory. | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | Criteria 2: The legislation includes provisions that establish the responsibilities for recording/reporting state debt: Section3(1)b of DMOL<br><br>Criteria 3:<br><br>The legislation includes provisions that establish Fiscal and debt rules/limits for the state: Section 3(3) of the DMO Amendment Law No 1. | | |
| 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 (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performs the core function of recording and reporting State debt.<br><br>All relevant debt management laws and expert reviews of the laws were obtained and reviewed. The Operating Model for The Bayelsa State Debt Management Office was also reviewed. Pictures of the DMO were taken with officers of the office. Interviews with officers of the DMO were conducted using questionnaires provided. SDDRs and other relevant documents were obtained and retained in the assessment file. | Satisfactory. | |
| 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**<br><br>**AND** | | **Achieved** | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | **Annual state debt sustainability analysis published by end of December 2020** | | | |
| 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? | a). We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows:<br><br>• Q2 submitted on (14/07/2020) - 14days,<br><br>• Q3 submitted on (12/10/2020) - 12days and<br><br>• Q4 submitted on (04/02/2021) - 35days.<br><br>= $\dfrac{14+12+35}{3}$<br><br>Average = 20.3 days (2.9 weeks)<br><br>The SDDRs were submitted within an average of 1(One) month (20.3days). | Satisfactory | |
| 2 | **Note: Have you reviewed for accuracy and completeness from the DMO:**<br><br>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 | a) The quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained.<br><br>b) IVA reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Bayelsa State Debt Domestic Report along with all underlying data and both showed slight differences of ₦1,546,556,784.54 which is (1.06%) in the total domestic debt. Q4 2020 SDDR recorded total domestic debt of | N/A | |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | Conclusion | Recommendations |
|---|---|---|---|
| from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures. | ₦144,128,506,240.46 while SDEDR recorded ₦145,675,063,016 .The report was supported with the DMO's templates and guidelines.<br><br>We reviewed the DMO report and the DMO report confirmed the accuracy and completeness of the State Domestic Debt Report.<br><br>An APA issue was issued to the State for clarifications on the slight discrepancy observed. The state in her response claimed the disparity in the figure of ₦1,546,556,784.54 between the Q4 2020 SDDR and 2020 SDEDR was as a result of capitalized interest on the debt stock that the DMO claimed of which reconciliation of the figure was still ongoing between the state and DMO office Abuja.<br><br>c)  The Quarterly State Domestic Debt Reports (SDDR) submitted by the State have been compared with the State Audited Financial Statement.<br><br>d)  Debt stock figures reported in the SDDR have been compared with that of the State's Audited Financial Statement.<br><br>e)  No discrepancy was noted during the comparison.<br><br>i.     SDDR Figure: ₦144,128,506,240.46<br><br>ii.    AFS figure: ₦144,128,506,240.46 (₦75275465477.83 Statement of Public Debt, |  |  |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | Conclusion | Recommendations |
|---|---|---|---|
| | Note 9 + ₦68,853,040,762.63 Statement of Other Liabilities) | | |
| | iii. No discrepancy was identified. | | |
| | f) No action was taken because there was no discrepancy. | | |
| | 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) Debt stock figures reported in the SDEDR has been compared with those of the SDDR submissions by each state | | |
| | i) There was an inconsistency. | | |
| |     i. SDEDR (DMO) Figure: ₦145,675,063,016 | | |
| |     ii. SDDR (State) Figure: ₦144,128,506,240.46 | | |
| |     iii. Difference: ₦1,546,556,784.54 (1.06%) | | |
| | j) APA issue was issued to the state for clarification on the slight difference. The State in her response claimed the disparity in the figure of ₦1,546,556,784.54 between the Q4 2020 SDDR and 2020 SDEDR was because of capitalized interest on the debt stock that the DMO claimed of which reconciliation of the figure was still ongoing between the state and DMO office Abuja. However, since this difference is below the materiality threshold of 4%, the IVA team considered this satisfactory. | | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| 3<br><br>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.<br><br>b) Date of publication was 30/12/2020.<br><br>c) The SDSAR was published by 31st December 2020. A screenshot from the IT backend on the date of publication has been obtained and retained in the assessment file.<br><br>Weblink for SDSAR publication is: https://www.mof.by.gov.ng/files/REPORT%20OF%20THE%20BAYELSA%20STATE%20DEBT%20SUSTAINABILITY%20ANALYSIS..pdf | Satisfactory | |
| 4<br><br>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:<br><br>(1) Adequate presentation of medium-term budget forecasts, including:<br><br>(a) Presentation of MTB forecasts<br><br>(b) Description of assumptions underpinning the MTB forecasts<br><br>(2) A detailed and adequate description of the debt portfolio and borrowing options, including:<br><br>a. Presentation of debt and borrowing projections in the baseline scenario.<br><br>b. Description of assumptions underpinning the borrowing options | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | (3)   Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year. | | |
| | | b)   A review and comparison between the information (figures) contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State Website was done. | | |
| | | c)   No difference was 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.**<br><br>**Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with a verification process in place**<br><br>**AND**<br><br>**at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019** | The State submitted to the IVA the Annual State Arrears Recording, Verification, and Clearance Report (SARVCR) | **Not Achieved** | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | 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)   State has established an Arrears Clearance Framework (ACF) <br><br> b)  IVA obtained a copy of the ACF from the State <br><br> c)   The establishment of the ACF occurred by 31st December 2020. <br><br> d)  The ACF was established on 17th September 2020, three months to 31st December 2020. This is adequate to allow time for implementation of the ACF. | Satisfactory | |
| 2 | Does the ACF contain: <br><br> 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled. | a)  The ACF contains planned actions and explicit prioritization of expenditure arrears to be settled. <br><br> b)  The evidence is seen when reviewing include the provision in Pages 5-7 of the ACF which highlights planned actions, while pages 8-11 of the ACF refers to the explicit prioritization of arrears to be settled <br><br> Other documents reviewed and work done include the SARVCR (State Arrears Recording, Verification, and Clearance Report), composition, and list of Members of State's Domestic Expenditure Arrears Management Committee. Some members of the Committee were interviewed to confirm the existence of the ACF. | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| 3 | Has the ACF been published on a State official website? | a) The ACF has been published on a State official website<br><br>b) IVA downloaded a copy for validation<br><br>c) The weblink for ACF publication is:<br><br>https://www.mof.by.gov.ng/files/BAYELSA%20STATE%20DOMESTIC%20EXPENDITURES%20ARREARS%20CLEARANCE%20GUIDELINE.pdf<br><br>The date of publication is 30th December 2020. A screenshot from the backend has been obtained to confirm the date of ACF publication. It has been retained in the assessment file. | Satisfactory. | |
| 4. | Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established? | The clearance of domestic expenditure arrears is consistent with the ACF.<br><br>Tests conducted include the following:<br><br>IVA compared the planned actions on explicit prioritization of expenditure arrears to be settled with the actual arrears clearance for the year. It was observed that payment of gratuity and death benefits was according to the ACF policy of paying the oldest first.<br><br>IVA also obtained a minute of the arrears clearance committee to ascertain its impact on arrears clearance. It was observed that contractors' arrears were paid after due oversight and verification by the committee as stated in the Arrears Clearance Framework. | Satisfactory. | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | The State applied the ACF even before it was formally established | | |
| 5. | Has the State established an Internal Domestic Arrears Database? | a)  The State has established an Internal Domestic Arrears Database | Satisfactory. | |
| | | (b )  The Internal Domestic Arrears Database includes the followings: | | |
| | | i). The aggregate and individual amounts of contractors' arrears. | | |
| | | ii). The aggregate amount of pension and gratuity arrears. | | |
| | | iii). The State does not have salary arrears and other staff claims. | | |
| | | iv). The State does not have other types of domestic arrears. | | |
| | | (c). The state has a domestic expenditure arrears committee which statutorily verifies all the arrears of the state. | | |
| | | d). The IVA confirmed through the evidence provided by the State that the State has conducted verification of arrears balances | | |
| | | e). IVA conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, payroll records, underlying contract data, and AFS | | |
| | | f). The State submitted to the IVA the Annual State Arrears Recording, Verification, and Clearance Report (SARVCR). | | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| 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 published online the required elements of the Internal Domestic Arrears Database at the end of 2019 and 2020.<br><br>b) IVA compared the aggregate and individual information available on the online publicly accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly accessible arrears database.<br><br>c) The website supporting the online publicly accessible arrears database contains an electronic link that only permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, through email and attach evidence of their claims online by using the dedicated email address on the Ministry's website. The website has dedicated phone numbers for the same purpose too.<br><br>d) The IVA confirmed that the online web pages included a facility for contractors with arrears (creditors) to report any omissions to the State.<br><br>e) Response was received to an email sent to the address provided on the ministry's website. Calls were placed to the provided numbers successfully too.<br><br>f) No omission was reported by contractors.<br><br>g) IVA confirmed that no omission was reported.<br><br>h) The source of information (i.e the weblink to the online publicly accessible arrears database) are; | Unsatisfactory | The State should ensure they publish online, elements of the Internal domestic arrears database. |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | i).<br>https://www.mof.by.gov.ng/files/BAYELSA%20STATE%20CONTRACTORS%20ARREARS%20DATABASE%202021.pdf<br><br>ii).<br>https://www.mof.by.gov.ng/files/BAYELSA%20STATE%20ARREARS%20CLEARANCE%20REPORT%20(2019%20&%202020).pdf<br><br>These online publications are not what is expected/required. They appear to be lists of amounts cleared / clearance reports. The expected aggregates for the required totals were not seen. | | |
| 7. | Does the online publication include?<br><br>1) the aggregate amount of contractors' arrears;<br><br>2) the aggregate amount of pension and gratuity arrears;<br><br>3) the aggregate amount of salary arrears and other staff claims;<br><br>4) other types of domestic arrears and<br><br>5) a list of names of contractors with recognized | The online publication does not include the aggregate amounts of contractors' and pension and gratuity arrears only. The state does not have any other salary arrears and other staff claims as well as other types of domestic arrears at the end of 2020.<br><br>The online publication contains all the contractors owed above ₦20m (All of them were owed above ₦20m). | Unsatisfactory. | a) The State should ensure they publish online lists of contractors with recognized arrears exceeding ₦20 million.<br><br>b) The state should ensure contractors can verify that their claims are accurately reported |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | | | | Conclusion | Recommendations |
|---|---|---|---|---|---|---|---|
| | arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database. | | | | | | |
| 8. | Has the State met the following:<br><br>(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.<br><br>-**Stretch target:** At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion.<br><br>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 | | | | | Unsatisfactory | The State should ensure a reduction of domestic arrears debt stock to below ₦5 billion |

Findings table (within row 8):

| Aggregate Amount of: | 2020 | 2019 | % Diff. |
|---|---|---|---|
| Contractors Arrears | 20,259,610,155 | 23,319,402,150 | -13.2 |
| Pension and Gratuity arrears | 29,324,551,805 | 26,644,000,601 | 10.6% |
| Salary arrears and Staff claims | | | |
| Judgment Debt | | | |
| Other types of domestic expenditure arrears | | | |
| **Total Domestic Arrears** | 49,584,161,960 | 49,963,402,752 | 0.075% |

a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and confirmed it was the same as the balances stated

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | arrears at the end of the year, compared to the previous year, expressed in percentage terms. | within the SDDR and the Audited Financial Statement for 2020.<br><br>= $\dfrac{\text{₦49,963,402,752} - \text{₦49,584,161,960}}{\text{₦49,963,402,752}} \times 100$<br><br>= 0.76%<br><br>The percentage decline is 0.76%<br><br>**Source**: State internal domestic expenditure arrears database | | |
| | | | | |
| DLR 9.0 | **Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target:**<br><br>**-Basic target: < [150%]**<br>**-Stretch target: < [125%]** | | **Achieved (Stretch Target Met)** | |
| 1 | Has the State met:<br><br>(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 | The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.<br><br>**Total Public Debt**<br><br>| | Financial Statements (₦) | DMO/SDEDR Figures (₦) |<br>|---|---|---| | Satisfactory | |

| Disbursement Linked Indicators (DLIs) and Tests | Findings | | | Conclusion | Recommendations |
|---|---|---|---|---|---|

| | | | |
|---|---|---|---|
| assessment (1st January to 31st December 2020)? **-Basic target:**< [150%] **-Stretch target:** < [125%] | Total Domestic Debts | 144,128,505,940.46 | 145,675,063,016.00 |
| | Total External Debts | 23,929,278,665.28 | 23,992,250,451.00 |
| | **Total Public Debts** | 168,057,784,605.74 | 169,667,313,467.00 |

**Total Annual Revenue**

| | |
|---|---|
| 2020 Adjusted IGR (see DLI 4.2) | 12,354,510,118 |
| Gross FAAC Allocation | 129,859,804,123 |
| Grants | 4,120,600,000 |
| Other Revenues | 38,545,994,986 |
| **Total Revenue** | 184,880,909,227 |

a) 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.

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

= $\frac{₦169,667,313,468 \times 100}{₦184,880,909,227}$

= 92.0%

**Sources:**

| Disbursement Linked Indicators (DLIs) and Tests | Findings | Conclusion | Recommendations |
|---|---|---|---|
| | 1. For Total Revenue: 2020 Audited Financial Statement, Pg 18, 19 and 39-43<br><br>2. For Total Public Debt: DMO, Abuja* as at December 31, 2020<br><br>3. NBS/OAGF (FAAC)<br><br>*Table 3(i) below holds a breakdown of the Total Debt.<br><br><br>b. 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.<br><br>c. There is a difference of ₦1,609,528,861.26, which is 0.96%<br><br>d. The difference has been communicated to the State for an explanation through an APA issue.<br><br>The State responded to the APA issued by the IVA on the discrepancy noted between the State debt figures in the AFS and the DMO, that the adjusted figures were due to the adjustments made invalidating the data with CBN and FMOF, which is as a result of accrued capitalized interest due to repayment suspension by Federal Government, Receipt of drawdown on AADS facility, approximation differences, and conversion differences. (See attached reconciliation sheet). Please note that reconciliation with CBN/DMO Abuja/DMD is still ongoing. | | |

| Disbursement Linked Indicators (DLIs) and Tests | | Findings | Conclusion | Recommendations |
|---|---|---|---|---|
| | | However, since this difference is below the materiality threshold of 4%, the IVA team considered this satisfactory. | | |
| | | e.   The difference has been calculated in value and percentage terms which is ₦1,609,528,861.26, and 0.96% respectively. | | |

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

| BAYELSA STATE | 2020 - AMOUNT (₦) |
|---|---|
| BUDGET SUPPORT LOAN (SOURCE FMOF) | 21,407,336,301.00 |
| BAIL OUT (SALARIES) (SOURCE CBN) | 903,043,098.00 |
| RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND) | 30,916,706,552.00 |
| EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN) | 7,078,945,299.00 |
| STATE BONDS | - |
| COMMERCIAL BANK LOANS | 16,576,345,103.00 |
| CBN COMMERCIAL AGRIC LOAN (SOURCE CBN) | 22,194,676.00 |
| INFRASTRUCTURE LOANS (CBN FACILITIES) | - |
| MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN) | 1,917,451,225.00 |
| JUDGEMENT DEBTS | - |
| GOVT - GOVT DEBTS | - |
| CONTRACTORS' ARREARS | 20,259,610,155.00 |
| PENSION AND GRATUITY ARREARS | 29,324,551,805.00 |
| SALARY ARREARS AND OTHER CLAIMS | - |
| OTHER DEBTS | 17,268,878,802.00 |
| **TOTAL DOMESTIC DEBT (TDD)** | **145,675,063,016.00** |
| TOTAL EXTERNAL DEBT (TED) | 23,992,250,451.00 |
| **TOTAL PUBLIC DEBT (TED+TDD)** | **169,667,313,467.00** |

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

| TEMPLATE: OPTION A | ₦ |
|---|---:|
| **Item** | **2020** |
| **1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)** | **126,393,035,428** |
| **1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)** | **116,873,152,875** |
| 1.1.1 Gross statutory allocation | 29,022,286,866 |
| 1.1.2 Derivation | 76,569,401,123 |
| 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 | 11,281,464,886 |
| **1.2 VAT** | 12,986,651,248 |
| **2. Internally Generated Revenues (IGR) - Adjusted** | **12,354,510,118** |
| **3. Grants (internal and external)** | **4,120,600,000** |
| **4A. Other revenues (4.1 + 4.2 + 4.3)** | **38,545,994,985** |
| 4.1 Investment Income (e.g. dividends) | 61,210,591 |
| 4.2 Interest Earned | 80,309,612 |
| 4.3 Miscellaneous | 38,404,474,783 |
| **Total Revenues and Grants Calculations** | |
| **A) Total Revenues and Grants is (1+2+3+4A)** | 184,880,909,227 |

## 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 | DLI 6.1 Bayelsa State Procurement Law went through all the technical sessions of the Nigeria Governors' Forum (NGF) and was approved for Governor's assent.<br><br>The ground for the removal of the Chief Executive of the Agency is explicitly stated in Part 2 Section 11 Subsection 5 of the Public Procurement (Repeal and Re-enactment) Law 2020 of Bayelsa State.<br><br>Please find attached our Procurement Law and final review by NGF. | The State's response is noted.<br><br>Details of the findings and recommendations are included in the report |
| 2 | | |
| 3 | | |
| 4 | | |