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

2019 Annual Performance Assessment (APA) Report

EBONYI STATE

By:

The Office of the Auditor General for the Federation as the SFTAS Independent Verification Agent with support from JK Consulting Co. Ltd

November 2020

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1   Executive Summary

This report details the outcome of the Annual Performance Assessment (APA) conducted on Ebonyi State for the second (2019) year of the four-year SFTAS Program. In conducting the APA, the verification team assessed how the State performed against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines and verification protocol.

Table 1 (below) reflects the outcome of the 2019 APA for Ebonyi State and shows areas where the State achieved results. In total, Ebonyi State achieved **9 (Nine)** DLRs out of 15 DLRs applicable to 2019. Two of the achieved DLRs were due for assessment during the 2020 APA but have been assessed early as requested by the Programme

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

1. DLR 1.1: Budget implementation reports should include, at a minimum, the approved budget appropriation for the year for each organizational unit (MDAs), and for each of the core economic classifications of expenditure (Personnel, Overheads, Capital, and Other expenditures). It should also state balances against each of the revenue and expenditure appropriations. The balances should also be provided on a consolidated basis across the four (4) expenditure classifications.
2. DLR 1.2: Ensure expenditure outturn deviation is reduced to a level within the annual requirements for this result.
3. DLR 2.1: Local Government Authorities are to attend and participate in the public consultations on the annual budget, and evidence of their attendance must be retained.
4. DLR 3.0: Develop a functional State-level TSA where all Government revenues (IGRs ad FAAC) are credited before expenditure.
5. DLR 6.1: Amend the Procurement Law to comply fully with the provision for the establishment of an independent Procurement Regulatory Agency in accordance with the UNCITRAL Model Law.
6. DLR 8: Ensure that the Arrears Clearance Framework is published online during each year of assessment for it to count towards the year, and that the clearance of domestic expenditure arrears is consistent with the ACF.

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: FY19 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		The State published the reports on average 9.5 weeks after the quarter end.
	DLR 1.2: FY19 deviation for total budget expenditure is < 25%		Budget deviation was 64.51%
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 FY2020 budget.		There was no evidence of attendance by Local Govt Authorities

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	DLR 2.2: Citizens' budget based on approved FY19 State budget published online by end April 2019.		Citizens' budget was published online on 24th April, 2019.
DLI 3: Improved cash management and reduced revenue leakages through implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 60 percent of state government finances implementation of State TSA		The State did not have a functional TSA or Cash Management Strategy.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		This is a 2020 result assessed early. All requirements were met.
	DLR 4.2: 2019-2018 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more	**Stretch target achieved**	Annual nominal IGR growth rate was 60%
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 75 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		100% of Staff and Pensioners on payroll have biometric data linked.
	DLR 5.2: Link BVN data to at least 75 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		100% of Staff and Pensioners on payroll have BVN data linked.
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 does not comply with the requirements of the UNCITRAL Model Law.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the state website		The State published contract award information online and in line with the OCDS standards.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		This is a 2020 APA result assessed early. All three requirements were met.
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2019		The SDDRs were published on average 6 weeks after the quarter end
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established **and** Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.		The Arrears Clearance Framework for the year was published online on 5th August 2020
DLI 9: Improved debt sustainability	Total debt stock at end of December 2019 as a share of total revenue for FY2019 meets target: Basic target: < 140%, Stretch target: < 115%. **and** Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2019.	**Stretch target achieved**	Monthly debt service deduction is 9.9% of Gross FAAC, and Total Debt Stock to Revenue is 104.3%

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

2. Introduction

2.1 Overview

The Federal Government of Nigeria is implementing a four-year program to support Nigerian States to strengthen fiscal performance and sustainability: The State Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results ("The Program"). In each of the four years, the Program will finance activities under two components: (i) a Program for Results (PforR) component in the amount of US$700 million and (ii) a Technical Assistance (TA) component in the amount of US$50 million. All States are able to participate in the Program in each of the four years and benefit from the PforR funds by meeting set Eligibility Criteria and any or all the indicators of fiscal transparency, accountability and sustainability.

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and JK Consulting Co. Ltd was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2019. To ensure a high-quality assessment, the IVA engaged the services of experts in Taxation, Procurement and Debt Management laws to review the legislation in place for each State.

2.2 Scope

This Annual Performance Assessment (APA) Report covers the State's performance in 2019 against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines and verification protocol. Each State was earlier assessed against the Eligibility Criteria set in the protocol, to determine the state's eligibility for grants under the 2019 APA. The results of the eligibility assessment were reported previously to each state, and are included in Appendix A.

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitised on the requirements of the program and on the protocol for 2019. The assessment results are binary (Achieved or 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 23/08/2020 and 29/08/2020 with a team of four persons, starting with an opening meeting where all the information requested were handed over. The visit was concluded with an exit meeting where the initial findings were discussed, and each state was given further opportunity to provide clarifications and/additional information.

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

The Office of the Auditor-General for the Federation and JK Consulting Co. Ltd are grateful to the States for the cooperation enjoyed during the assessment and hope the recommendations within this Report are found valuable towards achieving the DLRs in the remaining years of the Program.

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 [2019] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management**		**Not Achieved**	
1	Has the State published its quarterly budget implementation report to the State official website on average within six weeks of the end of each quarter?	The Quarterly budget implementation reports were posted online on *http://www.ebonyistate.gov.ng/Laws_and_Financials/ as follows:* • Q1 – (24/04/2019) - 3.4 weeks - 24 days • Q2 – (29/11/2019) - 21.7 weeks - 152 days • Q3 – (13/11/2019) - 6.3 weeks - 44 days • Q4 – (14/02/2020) - 6.4 weeks - 45 Days Average week for the online publication is computed as below: $$\frac{3.4+21.7+6.3+6.4}{4}$$ Average = 9.5 Weeks (66 days) We downloaded the quarterly budget Implementation Reports for all four quarters of the year 2019 and obtained evidence of a time stamp of the publications.	Unsatisfactory	The State should ensure all quarterly implementation reports are published within six weeks of the end of each quarter.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for 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; • The Budget Implementation Reports for Q3 and Q4 include the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classification of expenditures but the Q1 and Q2 do not. • The Budget Implementation Reports include the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year to date. • The Budget Implementation Reports for Q3 and Q4 include the balances against each of the revenue and expenditure appropriations; however, Q1 and Q2 do not. • We also observed that the State has an amended/revised or passed supplementary budget. • The Budget Implementation Reports does not show both the approved original budget AND the approved amended/revised/supplementary budget.	Unsatisfactory	The State should ensure the reports include the approved budget appropriation for each organizational unit (MDAs). The State should ensure the reports include the approved budget appropriation for each of the core economic classifications of expenditure (Personnel, Overheads, Capital, and other expenditures).
3	Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for year to date?	Upon review of the State's Budget Performance reports, Q1 and Q2 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	Upon review of the State's Budget Performance reports, it states the balances against each of the revenue and expenditure appropriations but does not provide balances on a consolidated basis across the four (4) expenditure classifications and the 'Other Expenditures'	Unsatisfactory	State should prepare the Budget implementation report with revenue and expenditure appropriations with

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	(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?	includes Gratuity, Contingency, Pensioner Salary, Foreign Loan Repayment and Outstanding Liabilities.		balances provided on a consolidated basis across the four (4) expenditure classifications.
DLR 1.2	**FY [2019] deviation from total budget expenditure is less than 25%**		**Not Achieved**	
1	Has the State computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 25%	The State computed the budget deviation for 2019 to be 62.83% The IVA computed the budget deviation for this APA year. See the computation below: <table><tr><td></td><td>**Original Budget**</td><td>**Actual Outturn**</td></tr><tr><td>Capital</td><td>146,845,670,000</td><td>39,943,388,004</td></tr><tr><td>Rec. Exp.</td><td>41,556,243,868</td><td>26,915,586,577</td></tr><tr><td>Total</td><td>**188,401,913,868**</td><td>**66,858,974,581**</td></tr></table> $$\frac{₦\,188,401,913,868 - ₦\,66,858,974,581}{₦\,188,401,913,868} \times 100$$ $$= \mathbf{64.51\%}$$ The budget performance deviation is 64.51% **Source**: 2019 Audited Financial Statement Page 25 and Approved Budget Page 14.	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 2.1	**Citizens' inputs from formal public consultations are published online, along with the proposed FY [2020] budget**		**Not Achieved**	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with participation of local government authorities and State-based CSOs?	a) The attendees represented various Local government areas of the State. These LGAs include Abakaliki, Afikpo North, Ikwo, Afikpo South, Ohaozara, Onicha, Ishielu, Ezaa South and Ebonyi. We followed up to check specifically whether LGA Authorities attended and the response from the State re-affirmed that Senatorial Districts were represented. We concluded LGA Authorities were not ij attendance. b) The CSO representatives in attendance were from Save Motherhood Ladies Association (SMLAS) and Community Health and Development Initiative (CHAD). c) The sources of information from which our conclusions were drawn are the minutes of the meeting, attendance register and pictures. d) The date of the meeting was 26th July, 2019 at the Akanuibiam International Conference Centre, Abakaliki. e) Ten attendees were called to confirm their attendance at the public consultation. f) The budget was drafted on 18th December, 2019 g) The dates of the consultation were 26th July, 2019 and the date of the draft budget was 18th December, 2019. The consultation meeting was done first.	Unsatisfactory	The State should ensure that Local Government Authorities attend and participate in the public consultations on the annual budget, and evidence of their attendance must be retained.
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	a) Key representative of CSO's co-signed the minutes of meeting. b) The title of the minute is "Minutes of citizens budget inputs and public participation meeting towards the 2020 budget preparation" at the Akanuibiam International Conference Centre, Abakaliki	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	January 2020 to enable citizens to find the inputs easily?	c) The CSOs represented were Save Motherhood Ladies Association (SMLAS) as one example. d) http://www.ebonyistate.gov.ng/Laws_and_Financials/resources/Minutes_Citizens_Budget_2020.pdf e) See Appendix A for weblinks to the proposed/final budget		
DLR 2.2 New	**Citizens' budget based on approved FY19 State budget published online by end April 2019.**			
1 New	Has the State published online, on the State website(s) a *Citizens Budget based on the approved FY19 state budget* not later than 30 April 2019?	The Citizens budget based on approved FY19 state budget was published before the due date. (http://ebonyibudget.com/budget/citizen.php?id=2019&update=24_April_2019).	Satisfactory	

2
 	
New
	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY19 state budget?	We confirmed that the Citizens budget summarizes in a comprehensible manner to citizens the approved FY19 state budget. There are no significant discrepancies with the standard template provided to the State. It accurately includes the key budget information from the original budget, including the following;
		
		  i. A simple explanation of the annual budget/citizen's budget;
		  ii. Breakdown of revenues and expenditures
		  iii. Disclosure of Budget deficit (if any) and how it will be financed.
		  iv. Sectoral Allocation (MDAs by MDAs)
		  v. Top Projects to be financed (at least 5)
			Satisfactory	

DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	**Improved cash management and reduced revenue leakages through implementation of State TSA**		**Not Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Has the State established a functional State-level TSA?	a. The State has established a functional state-level TSA, but had no cash management strategy or dashboard/portal in the year b. The State operates **one** account. c. The State TSA covers IGR, FAAC allocations and VAT allocations with the following account details: • TSA Bank: United Bank for Africa • Account Name: EBSG Treasury Single Account • Account Number: 1001158077.	Unsatisfactory	
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.	The State has a cash management strategy established in May 2020, which does not cover the 2019 year of assessment. a) The name of the Cash Management Strategy is Ebonyi State Government Cash Management Strategy. b) It was produced in May, 2020 and it was signed by the Honorable Commissioner for Finance and Economic Development. c) The processes can be found in Section 3.3 "Cash Planning/Forecasting" of the Cash Management Strategy. d) The State's Cash Management Strategy stated "Adopting full TSA with a single account and other subsidiary accounts including the central revenue account that are swept on a timely basis". The sweeping on a monthly basis currently being practiced by the State wasn't expressly stated in the State's Cash Management Strategy. e) 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. f) The Cash Management Strategy was not established in the year 2019.	Unsatisfactory	

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 has a computer application where the State can view the cash balances in the bank account. a) The computer application name is EBSG Finance and the producer of the App is Delologan. b) The system is in line with the Cash Management Strategy May 2020. c) It was deployed in December 2019. However, the Cash Management Strategy was not established in the year 2019, and so the dashboard could not have been based on an approved strategy in 2019	Unsatisfactory	
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 TSA of the State is EBSG Treasury Single Account with UBA 1001158077. b) The State Government monies (IGR, FAAC and VAT) goes through this account. c) The State conducts sweeping of balances (monthly) from other collecting banks to the Consolidated IGR Account and then to the TSA. d) The TSA bank Statement has been obtained.	Satisfactory	
5	Does the TSA cover a minimum of 60% 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 2019. See the computation below: |	Total Inflows	Total Outflows
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TSA Bank Statement	69,551,769,141.91	69,499,406,129.93
Government Finances*	75,604,888,208.02	66,858,974,581.07
Percentage	92%	104%		Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The average is percentage computation is: $$\frac{92\% + 104\%}{2}$$ **= 98%** The TSA covered 98% of the State's finances. *Sources: 2019 Audited Financial Statement (Cashflow Statement) Pages 24-25 and the TSA Statement from (UBA) for the period 2019 (1-1-2019 to 31-12-2019).		
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**	This is a 2020 APA result that has been assessed early as requested by the programme
1	Does the State have up-to-date consolidated revenue code which includes all the State's IGR sources and all the local governments (falling under that State) IGR sources?	a) Ebonyi State Internal Revenue Service for the collection and administration of revenue due to Ebonyi State and Local Government Council Law NO. 010 of 2020 and assented to by the Governor on the 22nd of May 2020. b) The Revenue Code & rates are not separate from the Revenue law. c) The State has one Revenue Law. d) The revenue code was approved on the 22nd of May 2020 e) http://www.ebonyistate.gov.ng/Laws_and_Financials/	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		f) The code includes all State IGR sources and the LGs (falling under the State) IGR sources g) The consolidated revenue code includes the rate chargeable for each IGR source		
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) Section 7 of the Consolidated Revenue Law portrays Ebonyi State Internal Revenue Service as the sole agency responsible for State revenue. b) Section 7 stipulates that "The object of the service shall be to solely control, collect and administer the various taxes, non-tax revenue and laws specified in the schedule or other Laws made or to be made from time to time by the House of Assembly of the Ebonyi State or other regulations made thereunder by the Government of the state and to account for all such taxes and non-tax revenue collected in the state".	Satisfactory	
3	Is the collection of revenues is made into accounts(s) nominated by the SBIR OR SBIR has full oversight of the accounts and is responsible for reporting and accounting for the revenues	a) The Ebonyi State Internal Revenue Service collection of revenues is made into accounts nominated by them. b) Section `15(2) Charges the IRS to collect recovered pay to the designated account any tax levy or other revenue (tax or non-tax) revenue collected in the state.	Satisfactory	
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	a) The revenue code was approved on the 22nd of May 2020 by the State legislature was approved	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	a) A copy of the Ebonyi State Consolidated Revenue Law 2020 has been downloaded. b) Posted online on the 20th of July 2020. c) http://www.ebonyistate.gov.ng/Laws_and_Financials/resources/202007201003334635EBIRS_Law_2020_Complete_.pdf.	Satisfactory	
DLR 4.2	**Annual nominal IGR growth rate meets target**		**Achieved** Stretch target met	
1	Has the 2019-2018 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20%-39% Stretch Target: 40% or more	a. The IPSAS Accrual basis of accounting was adopted by the State for 2018 and 2019 Audited Financial Statements. b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:	Satisfactory	

REPORTING TEMPLATE: OPTION A	NGN		% GROWTH
Item	2018	2019	
Memo: Reported IGR in AFS (Before Adjustments)	**7,498,568,198**	**20,277,957,308**	**170%**
VALID IGR items to be counted as IGR	**6,109,039,604**	**9,775,231,285**	
Tax	4,324,072,626	5,258,402,784	
Licenses	162,169,335	224,974,622	
Fees	1,000,548,976	3,539,963,076	
Fines	3,523,210	12,979,832	
Sales of goods and services	289,100	1,580,383,398	
Earnings	607,344,357	82,616,731	
Rent of Govt. building	11,092,000	17,112,780	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

		"Adjusted IGR" for DLI 4.2 Calculation						
		Sum of all VALID items of IGR if AFS has that detail	**6,109,039,604**	**9,775,231,285**	**60%**		

$$\frac{₦\,9{,}775{,}231{,}285 - ₦\,6{,}109{,}039{,}604}{₦\,6{,}109{,}039{,}604} \times 100$$

$$= 60\%$$

The annual nominal growth is 60%.

Source: 2019 Audited Financial Statement, cashflow statement, Page 94.

DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud				
DLR 5.1	**Biometric capture of at least [75] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll**		**Achieved**	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 75% of the current civil servants and pensioners on the State payroll?	The IVA team visited the Payroll Office of the State and random sample tests were carried out. The results confirmed that the State commenced and completed the biometric data capturing of civil servants and pensioners in June 2012. a) The biometric data capture was outsourced to AppMart Integrated Limited. b) The total number of civil servants is 10,061. c) The total number of pensioners 2,695 d) The total number of staff on the State Nominal roll and Payroll is 12,756	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		e) The biometric data of all Ebonyi State Civil Servants, Political Appointees and Pensioners have been captured and linked to the payroll. f) The documents obtained for our conclusion is the Report from AppMart Integrated Limited on the exercise done in June 2012 and also sample test carried out on the payroll system of the state. $$\frac{\text{Number of Biometric Data Captured}}{\text{Total Number of Civil Servants + Pensioners}} \times 100$$ $$\frac{12,756}{10,061 + 2,695} \times 100$$ $$\underline{=100\%}$$ The State had captured 100% of the State's civil servants and pensioners.		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	a) The State commenced and finished the linkage of the biometric data to the payroll in June 2012. b) The biometrics data of all State civil servants and pensioners has been linked to the payroll. c) There were no issues of ghost workers and ghost pensioners during the biometrics linkage to payroll, rather there were unverified staff who did not show up for the exercise but were later captured. d) The in-year changes to the civil servants and pensioners payroll (as a result of starters, leavers, deaths etc.) were captured during the biometric exercise. e) There are procedures in place for timely updates to the payroll to reflect leavers, retirees and deaths. The procedure is that notification comes from the department of the leaver, retiree or the deceased staff to the Payroll Office through an official letter; once this letter is received	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		the payroll office immediately stops the payments of such persons.		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a) There were no issues of ghost workers and ghost pensioners during the biometrics linkage to payroll, rather there were unverified staff who did not show up for the exercise but were later captured. b) The source of this information is the Report from AppMart Integrated Limited on the biometric exercise done in June 2012.	Satisfactory	
5.2	**Link BVN data to at least [75] percent of current civil servants and pensioners on the payroll and payroll fraud addressed**		**Achieved**	
1	Has the State linked the Bank Verification Number data to 75% of its current Civil Servants and pensioners on the State payroll?	The IVA team visited the Payroll Office of the State and a random sample test was carried out of which screen shots were taken. The test results confirmed that the State has linked the BVN data of its civil servants and pensioners to the payroll. This conclusion was supported by a circular issued by the State Government, requesting all Civil Servants and Pensioners to obtain BVN data form from the Ministry of Finance and Economic Development, Abakaliki which is to be completed and submitted in person. a) The total number of civil servants is 10,061. b) The total number of pensioners is 2,695. c) The total number of staff on the State Nominal roll is 12,756. d) Mention how many BVN data has been linked to the payroll is 12,756. g) The document obtained is a copy of the Circular dated August 2019 from the Ebonyi State Government informing all State Civil Servants and Pensioners to come and obtain BVN data form from the Ministry of Finance and Economic	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Development, Abakaliki which is to be completed and submitted in person. $$\frac{\text{Number of BVN Data Linked}}{\text{Total Number of Civil Servants + Pensioners}} \times 100$$ $$\frac{12{,}756}{10{,}061 + 2{,}695} \times 100$$ =100% The State has linked 100 % of the State' civil servants and pensioners BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	a) All staff of Ebonyi State Government and Pensioners have their BVN data linked to the payroll system. b) There was no payroll fraud identified. c) The source of this information is the circular from the Ministry of Finance and Economic Development in 2019 directing all staff and pensioners of the State to submit their BVN data to the Commissioner's office.	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	**Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency**		**Not Achieved**	This is a 2020 APA result that has been assessed early as requested by the programme

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	and 3) cover all MDAs receiving funds from the State budget			
1	Does the State have a public procurement legal framework which must be approved by the State legislature to have a legal basis, either as a law or a resolution?	a) The State has the "Ebonyi State Public Procurement and Related Matters Law N0 016_of_2020" which was assented to by the Governor on 10th June, 2020. b) The law has been approved by the State legislature as a law. c) The Procurement Law has been passed to law. d) The authorizing office is the Ebonyi State House of Assembly. e) The date approval of the law was 10th June, 2020. f) The date of its online publication is 11th June, 2020. g) The source of online publication is the State official website. (http://www.ebonyistate.gov.ng/Laws_and_Financials/res ources/202006110218565066Ebonyi_State_Public_Procur ement_and_Related_Matters_Law_No_016_of_2020.pdf)	Satisfactory	
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 Ebonyi State Public Procurement and Related Matters Law N0 016_of_2020 is structured broadly along the lines of the UNCITRAL Model Law however, it does not fully meet the requirements as shown below: 1. **E-Procurement -** We noted the following during our review of the legislation; ▪ Approves changes in the procurement process to adapt for improvement in modern technology. S. 7(d) of the Public Procurement and Related Matters Law 2020. ▪ Mandates Bureau to establish a single internet portal, which will be a definitive source of procurement information and to approve changes to adapt to changes in technology See. Section 10(r) and (u)	Unsatisfactory	The State should amend its legislation to ensure that regarding the decisions of the agency; any other review after the board's decision should be by judicial review.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	▪ Allows for establishment of and routine publication of procurement above an approved threshold on an OCDS compliant portal. S 21(26) of the Law ▪ Provides for e-Procurement covering contractor registration, procurement planning, and advertisement up-until award of contract and contract management. See section 22 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
The Functions and Powers of the Agency	Complies see sections 10 & 11 of the Law
The composition of the board	Complies; States the composition of the Board see **section 6 (2) of the 2009 Law**
Membership of the Board/Council includes representatives from Professional bodies and associations.	Compliant; see section 6(2)d of the Law
The grounds for removal of the Chief Executive of the agency.	The Law is compliant. See **section 12(4)**
Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	▪ Though Section 61 of the Law allows bidders to lay complaints before Accounting Officers and upon unsatisfactory decision to the Bureau within specified time from the day they became aware of the infraction. It does not specify the timelines for the Accounting Officer or Bureau to decide the complaints or appeals.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<table><tr><td></td><td>▪ The Law does not in this section or anywhere else provide for appeals/complaints to decisions of the Bureau to lie to the State High Courts. ▪ By making the exercise of a bidders right to complain to be first to the Accounting Officer and to the Bureau and failing to specify time lines for decisions of the Accounting Officer and Bureau, the law has effectively hindered the right of the Bidder to access the courts. This is more so regarding public procurement which is a time bound activity. Indeed, the complaints could as well be pending with the Accounting Officer or the Bureau until the contract is fully executed by the contractor and paid for by the Procuring Entity against whom the complaint is made.</td></tr></table> *Provided in the verification protocol 3. **Establishment of an independent procurement regulatory agency** - a) The State has instituted an independent procurement regulatory function known as Ebonyi State Council on Public Procurement see section 6. b) The provisions of the law apply to all procurement of goods, works and services carried out by the State and its local governments		
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,	a) The State has instituted an independent procurement regulatory function known as Ebonyi State Council on Public Procurement. b) The procurement regulatory function is being performed through a bureau which is set up for the statutory purpose.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	agency or any other type of entity set up for the statutory purpose?	c) The bureau is responsible for prescribing regulations and procedures for public procurements in accordance with the legal framework. d) The evidence obtained to demonstrate that the regulatory agency is active and effective is the IVA team visit to the Ebonyi State Council on Public Procurement, discussion with Chief Executive and staff and also the review of procurement cases handled by the bureau in the year under review demonstrates the agency has been active. e) A record of 5 procurements/cases/transactions handled by the bureau was used in performing the walkthrough to confirm the effective handling of the selected cases. f) The procurement files of the selected five procurement cases handled by Ebonyi State Council on Public Procurement were randomly selected from different MDA's. The IVA verified that before any contract is awarded it is approved by the Executive Secretary of the Bureau and copied to the Executive Governor for his approval.		
DLR 6.2	**Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on [the State website/on the online portal]**		**Achieved**	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2019) that are above the threshold (as defined in the State procurement law or in the	a) A schedule of all contracts awarded during the year under assessment above the threshold (as defined in the state procurement law) was obtained. b) The data were published is in line with the Open Contracting Data Standards (OCDS) c) The date of publication was 6th May, 2020. d) The source of the publication is the Ebonyi State official website.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS).	e) The Official website of Ebonyi State was visited and the schedule of contracts for the year under review was found to be published on: (http://www.ebonyistate.gov.ng/Laws_and_Financials/re sources/202006051039552804Contract_Award_Informati on_above_a_Threshold_Set_Out_in_the_Operations_Ma nual_fo.pdf).		
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**	This is a 2020 APA result that has been assessed early as requested by the programme
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?	a) The State has an approved state-level public debt legislature through the passage of the State Fiscal Responsibility Law 2020, and the State Public Debt Management Office Law 2020 b) The date of approval/assent for the State's Debt Management Law is 22nd May, 2020 and State's Fiscal Responsibility Law is 22nd May, 2020.	Satisfactory	
2	Does the legislation include provisions which establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and	The legislation includes all of the required provisions. Section 9(1) establishes the responsibilities for contracting state debts. Section 9(1) "Issue and manage the State Government Loans upon terms and conditions as may be approved by the State Government".	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	3) Fiscal and debt rules/limits for the state.	Section 8(1)(4) & Section 20(2) establishes the responsibilities for recording and reporting state debts. Section 8(1) "Maintain a reliable database of all instruments issued, loans taken or guaranteed by the Government or Local Government or any of their agencies" Section 8(4) "verify and service debts guaranteed or taken by the State Government. Section 20(2) "Maintain the Register of holders of all Insurance and other debt securities issued by the State and record the particulars of all holders and all transactions entered into with regards to such instruments and securities therein". Section 20(5), (7) establishes fiscal and debt rules or limits. Section 20(5) "Review and advise on the maintenance of statutory limits for all categories of loans or debt instruments at levels compatible with economic realities for sustainable growth and development in collaboration with the Accountant-General of the State". Section 20(7) "Without prejudice to all instruments of ISPO that the State may have entered or shall enter and deductions at source by CBN or and Federal Ministry of Finance, Budget and National Planning, the Governor shall set aside the sum of ₦300,000,000.00 to be used in repaying domestic and foreign debt that have been verified and certified"		
4	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt.	a) The State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt including preparing the quarterly SDDR submitted to Federal DMO as at 31st December 2019. b) The work done in line with the Test Programme, is as follows:	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		• An interview with the Director, Debt Management Department shows that the DMD is functioning effectively and is very active by keeping records of all government debt stocks; • A physical inspection of the Department was conducted and the IVA observed that the department is operational • Pictures of the official premises were obtained; • An interview with a random operational staff was conducted and her view states that the department is active and fully operational. The evidence obtained are quarterly SDDR, Schedule of Contractors' Arrears and Amortisation schedules of Internal Loans.		
DLR 7.2	**Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarters in 2019**		**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 2019?	a) The state produced quarterly domestic debt reports approved by the DMO on average of <u>two</u> months after the end of the quarter. We obtained evidence that the State produced quarterly SDDRs, which were submitted and received by the DMO as follows: • Q1 submitted on 30/04/2019 4.2 weeks (30 days), • Q2 submitted on 08/08/2019 5.4 weeks (39 days), • Q3 submitted on 21/11/2019 7.3 weeks (52 days) and • Q4 submitted on 13/02/2020 6.2 weeks (44 days). Average $\frac{4.2+5.4+7.3+6.2}{4}$ = 6 weeks	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The SDDRs were submitted within an average of 6 weeks (42 days). The DMODLI 7.2 Assessment Report for FY 2019 states that the Q1 (draft and final) SDDR submission was not timely but Q2, Q3 & Q4 (draft and final) SDDR submission were timely. DMO overall comment states that the quarterly SDDR was accepted.		
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.	We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Ebonyi State Debt Domestic Report and both showed a difference in amount of ₦6,475,526,120. The DMO's Report on the State Domestic and External Debt Report (SDEDR) showed ₦53,213,278,910 when compared with the Ebonyi State Debt Domestic Report that showed ₦46,737,752,789.83. The report was supported with the DMO's templates and guidelines. We reviewed the DMO report and the DMO report confirmed the accuracy and completeness of the State Domestic Debt Report. A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data.	n/a	
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	**Domestic arrears as of end 2019 reported in an online publicly**	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
	accessible database, with a verification process in place and an arrears clearance framework established. **AND** **Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.** -**Basic target:** At least a 5% decline or maintain stock below N5 billion -**Stretch target:** More than 20% decline			
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The State has established an Arrears Clearance Framework (ACF) b) We obtained a copy of the ACF from the State. c) The establishment of the ACF occurred by 20th December 2019.	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled. b) The State met the requirement of planned actions to settle arrears as detailed in section 2 of the State's ACF pages 8 – 19 and the requirement of an explicit prioritization of expenditure arrears to be settled as detailed in section 3 of the State's ACF pages 20 – 21. c) Other documents submitted by the state to confirm the ACF exists is the SARVCR. The SARVCR was reviewed to confirm the existence of the ACF	Satisfactory	
3	Has the ACF been published on a State official website?	a) The ACF has been published on a State official website b) We have downloaded a copy for validation.	Unsatisfactory	The State is to ensure the Arrears Clearance

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		c) http://www.ebonyistate.gov.ng/Laws_and_Financials/resources/202008051504257730Ebonyi_State_Arrears_Clearance_Framework.pdf d) The ACF was confirmed as published online on 5th August 2020 which is outside the year of assessment.		Framework is published online during each year of assessment for it to count towards the year.
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The consistency of the clearance with the ACF will be assessed in the 2020 APA as the ACF was established in December 2019.	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 established an Internal Domestic Arrears Database b) The Internal Domestic Arrears Database includes the following; • The aggregate of ₦2,500,000,000.00 and individual amounts of contractors' arrears. • The aggregate amount of pension and gratuity arrears of ₦7,470,481,068.48. • The aggregate amount of salary arrears and other staff claims is nil. • The aggregate amount of other types of domestic arrears include Judgment Debts of ₦185,062,990.50 and Severance and Furniture Allowance of ₦103,430,997.26 c) A verification process is in place for the arrears in the database d) We confirmed through the evidence provided by the State that the State has conducted verification of arrears balances. We conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, re-computing the figures in the internal domestic arrears database, cross-checking supporting documents presented by the state to	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		validate the figures in the internal domestic arrears database, underlying contract data.		
6	Has the State published online elements of the internal domestic arrears database for the FY **2018** and FY **2019** reported on a State official website, which constitutes the online publicly accessible arrears database?	a) The State has published online (http://www.ebonyistate.gov.ng/Laws_and_Financials/resources/Domestic_Debt_Position_2019.pdf) the required elements of Internal Domestic Arrears Database as at end of 2018 and 2019. b) We 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. c) The website supporting the online publicly-accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by sending a message with all required information about the claim and If the State Ministry of Finance confirms the validity of this claim, it shall be added to the internal domestic arrears database and included as relevant in the online publicly accessible arrears database. A confidential form to fill online and attachment of supportive evidence to the claim is not included. The contractor is required to take the supportive documents to the State MoF in person for verification. d) We confirmed that the online webpages include a facility for contractor with arrears owed by the State to report any omissions to the State.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		e) A test of the facility for contractors with arrears (creditors) to report any omissions to the State was conducted by putting dummy details online in pretense as a creditor and the State responded back that the complaint will be looked into within 24 hours. f) No omissions were reported by contractors in the year.				
7. New	Does the online publication include? 1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding N20million and information for contractors to be able to verify that their claims are being accurately reported in the database.	The online publication includes the aggregates amounts for the four types of arrears. Weblink: http://www.ebonyistate.gov.ng/Laws_and_Financials/resources/202008060433168711Contractors_Arrears_Exceeding_20million_as_at_Dec_31st_2019.pdf The online publication contains the names of contractor's owed ₦20 million in arrears and above.			Satisfactory	
New	Has the State met the following? (ii) Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.	Aggregate Amount of:	2019	2018	Satisfactory Basic target met	
		Contractors Arrears	₦2,500,000,000.00	₦10,455,197,877.81		

Disbursement Linked Indicators (DLIs) and Tests	Findings			Conclusion	Recommendations
-Basic target: At least a 5% year-on-year decline or maintain stock or arrears below N5billion. **-Stretch target:** More than 20% year-on-year decline. *The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of year, compared to the previous year, expressed in percentage terms.*	Pension and Gratuity arrears	₦7,470,481,068.48	₦7,407,236,345.51		
	Salary arrears and Staff claims	₦0.00	₦1,742,569,879.74		
	Other types of domestic expenditure arrears	₦288,493,987.76	₦314,920,561.06		
	Total Domestic Arrears	**₦10,258,975,056.24**	**₦19,919,924,664.12**		

We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database.

We sought evidence to confirm that the State paid down approximately N9bn of arrears in 2019 or otherwise wrote the arrears off legitimately. An issue report was raised for evidence on the clearance / reduction of domestic arrears.

The State provided documents written to affected contractors that have defaulted, and for whom arrears owed to them by the State were deducted from the total domestic arrears figure. In total, ₦7,955,197,877.81 was written off and ₦1,742,569,879.74 was paid down as arrears. Our final conclusion is based on the actual arrears paid down, as the errors corrected through the write-off process indicate the arrears balance was simply inaccurate.

Calculation without the exclusion of write-offs

$$\frac{₦19,919,924,664.12 - ₦10,258,975,056.24}{₦19,919,924,664.12} \times 100$$

$$= 48.5\%$$

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	The percentage decline is 48.5% and based on the calculation, the State met the stretch target. Calculation with the exclusion of write-offs (₦19,919,924,664.12 - ₦7,955,197,877.81) = ₦11,964,726,786.31 $$\frac{₦11,964,726,786.31 - ₦10,258,975,056.24 \times 100}{₦11,964,726,786.31}$$ = 14.3% The percentage decline is 14.3% and based on the calculation, the State met the basic target. **Source**: State internal domestic expenditure arrears database.		
DLI 9: Improved Debt Sustainability			
DLR 9.0 **Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2019] AND Total debt stock at end Dec [2019] as a share of total revenue for FY [2019] meets target: -Basic target: < [140%] -Stretch target: < [115%]**		**Achieved** Stretch target met	
Has the State met: (i) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the	The IVA computed the percentage of total monthly service deductions/Gross FAAC Allocation for this year APA**.** Total Service Deduction ₦4,908,281,602 x100 Gross FAAC ₦49,795,805,145	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
year of assessment (1st January to 31st December 2019) to the gross FAAC allocation for the same calendar year? **Less than :< [40%]**	= 9.9% **Source:** FMoF (FAAC)		
Has the State met: (ii) the ratio of total debt stock at end-of-year (31st December 2019) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2019)? **-Basic target:< [140%]** **-Stretch target: < [115%]**	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.	Satisfactory stretch target met	

Total Public Debt

	Financial Statements	DMO figures (Adj)
Total Domestic Debts	₦46,860,994,270.65	₦53,213,278,910
Total External Debts	₦21,523,731,257.00	₦19,949,751,696
Total Public Debts	₦68,384,725,527.65	₦73,163,030,606

Total annual revenue

2019 Adjusted IGR (see DLI 4.2)	₦9,775,231,284.80
Gross FAAC Allocation	₦48,610,359,618.67
Grants	₦1,008,521,280.00
Other Revenues	₦10,744,215,818.04
Total Revenue	₦70,138,328,001.51

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

We have computed the total debts stock / Revenue percentage for the 2019 year, as follows:

$$\frac{₦73,163,030,606*}{₦70,138,328,001.51} \times 100$$

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	=104.3%		

Inside the Findings column:

Sources: For Total Revenue 2019 Audited Financial Statement, Page 27 & 28.

*Table 3 below holds a breakdown of the Total Debt.
**Table 3(ii) holds the breakdown of Revenue

b. The debt stock stated in the Federal DMO State Domestic and External Debt Report is not the same with the debt stock stated in the audited financial statement.
c. The debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) is ₦73,163,030,606 while the debt stock stated in the Audited Financial Statements is ₦68,384,725,527.65
d. The difference has been communicated to the State for explanation.
e. The difference has been calculated in value as ₦4,778,305,078.35 (₦73,163,030,606 - ₦68,384,725,527.65) and in percentage terms as 7% (₦73,163,030,606 - ₦68,384,725,527.65 / ₦68,384,725,527.65*100)
f. The SDEDR was amended and resubmitted to the IVA along with explanations for any changes.

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

EBONYI STATE	AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,081,217,713
BAIL OUT (SALARIES) (SOURCE CBN)	3,687,468,556
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,117,333,794
STATE BONDS	-
COMMERCIAL BANK LOANS	-
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	7,068,283,791
INFRASTRUCTURE LOANS (CBN FACILITIES)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	2,000,000,000
JUDGEMENT DEBTS	185,062,991
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	2,500,000,000
PENSION AND GRATUITY ARREARS	7,470,481,068
SALARY ARREARS AND OTHER CLAIMS	-
OTHER DEBTS	103,430,997
TOTAL DOMESTIC DEBT (TDD)	**53,213,278,910**
TOTAL EXTERNAL DEBT (TED)	**19,949,751,696**
TOTAL PUBLIC DEBT (TED+TDD)	**73,163,030,606**

TABLE 3ii: DLI 9 31 DECEMBER 2019 REVENUE TABLE FOR EBONYI STATE

Item	NGN 2019
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	**48,610,359,618.67**
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	**37,618,653,382.44**
1.1.1 Gross statutory allocation	36,837,879,240.76
1.1.2 Derivation	39,828,184.00
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	740,945,957.68
1.2 VAT	**10,991,706,236.23**
2. Internally Generated Revenues (IGR) - Adjusted	**9,775,231,284.80**
3. Grants (internal and external)	1,008,521,280.00
4A. Other revenues (4.1 + 4.2 + 4.3)	**10,744,215,818.04**
4.1 Investment Income (e.g. dividends)	17,332,799.60
4.2 Interest Earned	1,132,367,637.07
4.3 Miscellaneous	289,782,362.18
Transfer from other Government Entities	9,304,733,019.19
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	**70,138,328,001.51**

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	The grounds that the IVA report relied on to conclude that Ebonyi and its PPL did not achieve DLI6.1 are not requirements specified by the APA Verification Protocol. The relevant APA requirement, which focuses on the independence of the procurement regulatory agency, states that: "Regarding the decisions of the Agency: Any other review after the Board's decision should be by judicial review" (pg 35). Instead of focusing on the independence of the Agency and its decision (not limited to administrative review or complaint proceeding), the report veered into the right of complaint of bidders, and imported the following extraneous grounds for assessment: a. Section 61 of the Law … does not specify the timelines for the Accounting Officer or Bureau to decide the complaints or appeals. b. The Law does not in this section or anywhere else provide for appeals/complaints to decisions of the Bureau to lie to the State High Courts." By stating that "Regarding the decisions of the Agency: Any other review after the Board's decision should be by judicial review" the APA is simply insisting that the review decision of the agency shall be secure from external interference and not subject to review by another authority, except the court; not that the decision must be challenged in court. Assuming, but not conceding, that the above extraneous grounds are used to assess the Ebonyi PPL, it should still not be regarded as failing DLI6.1, for the following reasons:	The response is well noted. The legislation needs to include an explicit provision covering the issue of judicial review. This is a direct requirement of DLR 6 using the definition of independence approved by the World Bank (see the assessment table inserted into findings section). **Please note the further comments below from the IVA Procurement expert – reproduced below for information only.** Generally, the constitution provides access to courts for all citizens. However, this access can and is often limited by provisions of specific statutes. For example, section 19 to this Law requires that to exercise this right of access to courts, this is an accepted practice acknowledged by numerous court decisions, a complainant on each subject matter must give a 30 days' notice in writing. In the same breath courts have held that where a statue provides internal administrative complaints systems, a prospective litigant should exhaust the internal mechanism before he can exercise his right of access

a.　　It is a trite principle of law, which is captured in sections 6(6)(b) and 272 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended), that the decisions of government administrative bodies are subject to judicial review before a court of competent jurisdiction. The PPL does not need to provide it for judicial review of administrative actions or decision to be established or activated. The procurement regulatory agency is an administrative (regulatory) body of government, whose decision is subject to judicial review before the State High Court, with or without the PPL providing for it, by virtue of the Constitution.

b.　　Section 61((3) of the Ebonyi PPL states that the decision of the Accounting Officer shall be given within a "reasonable time". A reasonable time in law does not extend ad infinitum but will be interpreted as the usual time within which it takes such office to give a review decision in procurement cases which are timebound.

c.　　Besides, section 61(4) empowers the aggrieved bidder to complain to the procurement regulatory agency if not satisfied with the decision of the Accounting Officer, which would include the decision (implied) not to conclude the review within a particular time.

Note that the UNCITRAL is simply a model that should be adapted for local application. The important thing is that the requisite independence and safeguards are provided in the Ebonyi law

The draft IVA report's conclusion on DLI 6.1 should be reviewed (reversed), with a conclusion that its requirements have been satisfied and result achieved.

to court. It is therefore necessary for such provisions to indicate timelines to allow for a clear operative date for exercise of the right of access to court. In the case of Procurement Law failures to exhaust this internal mechanism has been considered by courts at the federal level to be sufficient to sustain preliminary objections against exercise of right of access to courts. This pre-supposes that there is need to indicate clearly when a complainant's right of access to a court is operative.

Section 61 (4) of the Ebonyi Procurement Law deals with complaints from decisions of the Accounting Officer to the Bureau and states as follows;

{4} "If the bidder is not satisfied with the decision of the Accounting Officer, the bidder may make a complaint to the Bureau within 10 working days from the date of communication of the decision of the Accounting Officer for possible consideration".

Where, as is the case here, the Bureau has no deadline to decide the complaint, the effect is that the complaint is pending as long as the Bureau is unable to arrive at a decision or communicate one. Should a complainant sue whilst such a compliant is pending, the government is entitled to use the pendency of the complaint at the Bureau as a preliminary objection to stop his exercise of the right

		of access to court. Procurement is time bound and given this scenario an administrative complaint at the Bureau could be pending until a procurement proceeding or contract against which it is made has been concluded and considerations paid.
		This could have been waived. However, the provision of Section 61(4) by not indicating timelines for Bureau decisions can be used to keep a complaint at abeyance until the procurement award decision is contracted upon and fully implemented.
		Also, you have to take account of the fact that this has been required of other states and such states have complied.

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

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

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

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

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

Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
http://www.ebonyistate.gov.ng/Financials/resources/ebs_2020_Approved_Budget.pdf http://www.ebonyistate.gov.ng/Financials/Budget_2020.aspx	A search was done on Ebonyi State website	The 2020 Budget was published on the State Official website, a copy was downloaded.	A request was made on 08/01/2020 to the focal persons to provide evidence of the Governor's assent.	**EC met** There was no response from the focal persons however, a further search was done, and evidence of Governor's assent was seen published.

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

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

Source(s)	Initial Work Done	Initial Comments / Observation	Follow up	Final Assessment
http://www.ebonyistate.gov.ng/ebs_audit_2018.aspx	A search was done on the Ebonyi State Website and the Audited Financial Statements were downloaded.	The Audited Financial Statements were easily accessed and downloaded.	N/A	EC met

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

Appendix B: Unresolved Issue reports

ISSUE REPORT 1
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

State:	EBONYI STATE
DLI affected:	DLI 7
Prepared by:	EBI NABENA
Date:	25TH AUG. 2020

APA Issue
Discrepancy between the debt figures reported by the State in the SDDR and Audited Financial Statement.

Description of finding/issue:

During the IVA review, it was discovered that there is a difference between the debt stock figures recorded in the SDDR when compared with the figure in the AFS. The domestic debt stock figures reported in the SDDR is N46,737,752.789.83 compared with those of the State's AFS of N46,860,994,270.65 resulting in a difference of N123,241,480.82.

Effects

This discrepancy creates a doubt on the credibility of the domestic debt stock figure.

Clarification or information requested from the state

We will require a clarification for this difference and if this difference has been rectified. The State is expected to reconcile the discrepancies between the figures and substantiate this with relevant documents for further verification

State to insert response below

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Submitted by Yusufu R. Agyo, Team Leader, Team 4

ISSUE REPORT 2
FOR THE SFTAS 2019 ANNUAL PERFORMANCE ASSESSMENT

RESPONSES ARE REQUIRED WITHIN TWO WORKING DAYS PLEASE.

State:	EBONYI STATE
DLI affected:	DLI 9
Prepared by:	EBI NABENA
Date:	30TH SEPT. 2020

1. **APA Issue** Discrepancy between the Debt Stock stated in the Federal Debt Management Office (FDMO) State Domestic and External Debt Report (SDEDR) and the Debt Stock stated in the State's Audited Financial Statements (AFS).

2. **Description of finding/issue:**

During the IVA review, it was discovered that there is a difference between the FDMO SDEDR debt stock figures when compared with the State's AFS debt stock figures. The total debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) is ₦73,163,030,606 while the debt stock stated in the State's Audited Financial Statements is ₦68,384,725,527.65 resulting in a difference of ₦4,778,305,078.35

Public Debt Stock	Federal DMO (₦)	State's AFS (₦)
Total Domestic Debt (TDD)	53,213,278,910	46,860,994,270.65
Total External Debt (TED)	19,949,751,696	21,523,731,257.00
Total Public Debt (TED+TDD)	73,163,030,606	68,384,725,527.65

3. **Effects**

This discrepancy creates a doubt on the credibility of the Debt Stock Figure.

4. **Clarification or information requested from the state**

We will require a clarification for this difference and if this difference has been rectified. The State is expected to reconcile the discrepancies in the figures with Federal Debt Management Office

5. **State to insert response below**

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Submitted by Yusufu R. Agyo, Team Leader, Team 4