



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

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

**EKITI STATE**

**By:**

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



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## 1. Executive Summary

The report details the outcome of the Annual Performance Assessment (APA) conducted on Ekiti 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 Ekiti and shows areas where the State was able to achieve results. Ekiti State achieved 11 (Eleven) DLRs out of 15 DLRs applicable to the 2020 APA out of which 3 (Three) DLRs were achieved in 2018 and 2019.

**Table 1: Assessment Results**

<b>Key:</b>	<b>Achieved</b>	<b>Not Achieved</b>	<b>Previously Achieved</b>
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<b>DLI 1:</b> Improved financial reporting and budget reliability	DLR 1.1: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%		
<b>DLI 2:</b> Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2021 budget.		
	DLR 2.2: Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms		
<b>DLI 3:</b> Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 70 percent of state government finances.		The State TSA did not cover a minimum of 70% of the Government finances.
<b>DLI 4:</b> Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all State IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the State legislature and published.	2019 APA	
	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 24%
<b>DLI 5:</b> Biometric registration and Bank Verification	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
Number (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		
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency, and 3) Cover all MDAs receiving funds from the State budget.	2019 APA	
	<p>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.</p> <p>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.</p> <p><b>AND</b></p> <p>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.</p>		Published Contract award information was not in the OCDS format.
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.	2019 APA	
	<p>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.</p> <p><b>AND</b></p> <p>Annual State debt sustainability analysis published by end of December 2020</p>		
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	<p>DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place.</p> <p><u>Stretch Target:</u> Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with verification process in place <b>AND</b> at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock of arrears below 5 billion.</p>	Basic Target Met	

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%.		Total Debt Stock to Revenue is 185% by the end of December 2020.

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

1. DLR 3.0: Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA
2. DLR 4.2: Improve its IGR collection to achieve significant year-on-year growth in nominal IGR.
3. DLR 6.2: Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs. Publication of Contract award information, above the set threshold, online every month in OCDS format on the State's website
4. DLR 9: Strengthened debt sustainability by achieving the levels of debt indicators that are below the thresholds established for this DLR.

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

## 2. Introduction

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### 2.1 Overview

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

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

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

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

### 2.2 Scope

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

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitized on the requirements of the program and the protocol for 2020. The assessment results are binary (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 (14/02/2022 and 18/02/2022) with a team of six persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each State was given a further opportunity to provide clarifications and/or additional information.

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

The Office of the Auditor-General for the Federation (OAuGF) and PricewaterhouseCoopers (PwC) are grateful to the State for the cooperation enjoyed during the assessment and hope the recommendations within this Report are

found valuable towards improving fiscal transparency, accountability, and sustainability in the management of the public finances and resources of the State.

### 3. Assessment Results

#### 3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>DLI 1: Improved Financial Reporting and Budgeting Reliability</b>				
<b>DLR 1.1</b>	<b>Financial Year [2020] quarterly budget implementation reports published with Q2, Q3, and Q4 reports published on average within [4 weeks] of quarter end to enable timely budget management</b>		<b>Achieved</b>	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on</p> <p><b>Q1:</b> <a href="https://ekitistate.gov.ng/wp-content/uploads/2020/20201stquarter.pdf">https://ekitistate.gov.ng/wp-content/uploads/2020/20201stquarter.pdf</a></p> <p><b>Q2:</b> <a href="https://ekitistate.gov.ng/wp-content/uploads/2020/2020Q2.pdf">https://ekitistate.gov.ng/wp-content/uploads/2020/2020Q2.pdf</a></p> <p><b>Q3:</b> <a href="https://ekitistate.gov.ng/wp-content/uploads/2020/2020q3.pdf">https://ekitistate.gov.ng/wp-content/uploads/2020/2020q3.pdf</a></p> <p><b>Q4:</b> <a href="https://ekitistate.gov.ng/wp-content/uploads/2020/2020_q4.pdf">https://ekitistate.gov.ng/wp-content/uploads/2020/2020_q4.pdf</a></p> <ul style="list-style-type: none"> <li>Q1 - (28/April/2020) - 28 days</li> <li>Q2 – (28/July/2020)- 28 days</li> </ul>	Satisfactory	



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>• Q3 – (28/October/2020) - 28 days</li> <li>• Q4 – (28/January/2020) - 28 days</li> </ul> (Based on the IT backend timestamp)  Average days (weeks) for the online publication was computed based on the last 3 quarters, as below:  $\frac{28+28+28}{3}$ =28 days (4 weeks)  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.		
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	From our review of the Quarterly Budget Implementation reports downloaded from the State's website (see weblinks above) we observed the following:  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.  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,  c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations.  d) The State has a revised budget.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	revenue and expenditure appropriations.	<p>e) The quarterly Budget Implementation Reports for Q2, Q3 and Q4 did not show the approved original budget; but rather showed only the approved revised budget. The soft and hard copies of the approved original budget were obtained for comparison and retained in the file.</p> <p>The reports included the approved revised 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. The inclusion of the original approved budget would be crucial if the revised budget was a supplementary budget, therefore, IVA considered non-inclusion of the approved original budget as immaterial and would not affect the stakeholder view wrongly.</p>		
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 stated the actual expenditures for each quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date.	Satisfactory	
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	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 (as an addendum) 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												
	servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?															
<b>DLR 1.2</b>	<b>FY [2020] deviation from total amended budget expenditure is less than 15%</b>		<b>Achieved</b>													
1	<p>Has the State computed the difference between the Amended approved total budgeted expenditure for the fiscal/calendar year and the actual total expenditure in the fiscal/calendar year, divided by the Amended approved total budgeted expenditure and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 15%</p>	<p>The State computed the budget deviation for 2020 to be 6.27%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="690 712 1430 1252"> <thead> <tr> <th></th> <th>Total Amended Budget ₱</th> <th>Actual ₱</th> </tr> </thead> <tbody> <tr> <td>Capital (Audited Financial Statement Page 145 and Approved Budget Pages 3-4)</td> <td>33,595,306,693.63</td> <td>27,216,206,004</td> </tr> <tr> <td>Rec. Exp (Audited Financial Statement Page 145 and Approved Budget Pages 3-4)</td> <td>57,533,689,783.38</td> <td>58,629,513,211</td> </tr> <tr> <td><b>Total</b></td> <td><b>91,128,996,477.01</b></td> <td><b>85,845,719,215</b></td> </tr> </tbody> </table> <p style="text-align: center;"> <math display="block">\frac{\text{₱}91,128,996,477.01 - \text{₱}85,845,719,215}{\text{₱}91,128,996,477.01} \times 100</math> </p>		Total Amended Budget ₱	Actual ₱	Capital (Audited Financial Statement Page 145 and Approved Budget Pages 3-4)	33,595,306,693.63	27,216,206,004	Rec. Exp (Audited Financial Statement Page 145 and Approved Budget Pages 3-4)	57,533,689,783.38	58,629,513,211	<b>Total</b>	<b>91,128,996,477.01</b>	<b>85,845,719,215</b>	Satisfactory	
	Total Amended Budget ₱	Actual ₱														
Capital (Audited Financial Statement Page 145 and Approved Budget Pages 3-4)	33,595,306,693.63	27,216,206,004														
Rec. Exp (Audited Financial Statement Page 145 and Approved Budget Pages 3-4)	57,533,689,783.38	58,629,513,211														
<b>Total</b>	<b>91,128,996,477.01</b>	<b>85,845,719,215</b>														

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p style="text-align: center;">= 5.8%</p> <p>The budget performance deviation is 5.8%</p> <p><b>Source:</b> 2020 Audited Financial Statement Page 145 and Approved Budget Pages 3-4.</p> <p>The Audited Financial Statement was prepared on a cash basis.</p> <p>The amount for “total income” in the AFS (2020) Page 145 (₦86,952,482,081) is different from what is in the Annual Budgets (2020) Page 6 of Quarter 4 (₦92,091,462,879.99). However, an APA issue was raised and the State responded that “The team may wish to note that the 2020 Annual Budget Actual figures containing an opening balance (Other Transferred from Prior Fiscal Year) of ₦7,725,693,310.26 which was not reported on page 145 of the AFS (2020).</p> <p>However, the opening balance was reported on page 38 of AFS (2020) as ₦15,675,151,223.00.</p> <p>It is instructive to note that the opening balance as captured in the 2020 Budget Actual Figures was an un-audited figure, while the opening balance reported in the AFS (2020) had been confirmed and audited. Therefore, the team is being requested to graciously rely on the opening balance in the AFS (2020) being the Audited Figure where there is a total figure of ₦102,627,633,304.00 on page 38 of AFS (2020).</p> <p>It is worthy of note that the Actual Budget Figure was as at 31st December, 2020 whereas the opening balance in the AFS 2020 was</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>as at 31st May, 2021 after auditing by the Office of the Auditor-General for the State”.</p> <p>The IVA noted that the source of the values used in the calculations are from the online AFS</p> <p>IVA Compared both Expenditure figures in Cash flow and Statement of Financial performance and noted that there is no difference.</p>		
<b>DLI 2: Increased Openness and Citizens’ Engagement in the Budget Process</b>				
<b>DLR 2.1</b>	<b>Citizens’ inputs from formal public consultations are published online, along with the proposed FY [2021] budget</b>		<b>Achieved</b>	
1	Did the State conduct at least one “town-hall” consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	<p>Documents obtained include: Minutes of meetings, attendance lists, screenshots, and pictures.</p> <p>a) Some of the LGAs in attendance were Ijero, Oye, Ilejemeje, Emure, Ado, Ekiti South, Ekiti East, Gbonyin, Irepodun, Ise-Orun LGA's, etc.</p> <p>b) The CSO representatives in attendance were Mr. Olajide B. Funsho of COECSO, Mr. Olatuni Tosin, and Mr. Abimbola Aladejare of The New Generation Girls &amp; Women Development.</p> <p>c) The sources of information from which our conclusions were drawn are minutes of various consultation meetings, attendance lists, and pictures.</p> <p>d) The date of the consultation meeting was 12th October 2020 and it was held in three venues simultaneously which include;</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Ikole Local Government Secretariat Hall, Ikole Ekiti, Ikere City Hall, Ikere Ekiti, and Bishop Adetiloye Hall, Ado Ekiti respectively.</p> <p>e) IVA randomly selected and called 10(ten) attendees from the attendance list to confirm their attendance at the various public consultations.</p> <p>f) The budget was drafted on 27th October 2020.</p> <p>g) The consultations were held on the 12th of October 2020 and the draft budget was dated 27th October 2020. Thus, the public consultation was done first.</p> <p>h) The publication of the proposed budget was done before the deadline of 31st January 2021. The date of publication was 30th December 2020. The date of publication was confirmed through the back-end timestamp obtained from the State's IT provider.</p> <p>i) The weblink for the publication of the proposed budget is <a href="https://ekitistate.gov.ng/wp-content/uploads/2020/2021%20DRAFT%20BUDGET.pdf">https://ekitistate.gov.ng/wp-content/uploads/2020/2021%20DRAFT%20BUDGET.pdf</a></p>		
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?	<p>a. The CSOs representative that co-signed the minutes was Mr. Olajide B. Funsho of COECSO and a copy of the minute has been retained and documented.</p> <p>b. The title of the minute is "Report of the Citizens' engagement meeting on the proposed 2021 budget of Ekiti State..." and the date of the Minutes is 12th October 2020.</p> <p>c. The CSOs representative Mr. Olajide B. Funsho represented the Coalition of Ekiti Civil Society Organisations (COECSO).</p> <p>d. The weblink to the publication is <a href="https://ekitistate.gov.ng/wp-content/uploads/2020/2021_CitizenEngagement_Report.pdf">https://ekitistate.gov.ng/wp-content/uploads/2020/2021_CitizenEngagement_Report.pdf</a></p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		e. The date of publication of the minutes of the public consultation meeting & Proposed Ekiti State 2021 budget is 30th December, 2020.		
<b>DLR 2.2</b>	<b>Evidence of dissemination event to explain amendments to FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms</b>		<b>Achieved</b>	
1.	Did the state conduct dissemination events to explain amendments to the FY2020 State budget and was adequate evidence of the events published online and by the due date?	<p>a) The IVA carried out a review on all required documents, physical records/ pictures with a list of attendees (with names, organizations, email addresses).</p> <p>b) The Amended Budget and the evidence of the dissemination events have been downloaded.</p> <p>c) The dissemination was done physically on the 8th of June 2020.</p> <p>d) The dissemination event was published online on the 31st of July, 2020 which was before the deadline of September 30, 2020. The evidence of dissemination such as minutes of the meeting, attendance register, and pictures were published online by the State and the IVA downloaded and retained copies.</p> <p>e) The IVA confirmed that the evidence of the dissemination event was published in the same location as the Amended FY20</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>budget. on the State official website. See web link: <a href="https://ekitistate.gov.ng/wp-content/uploads/2020/citizens_eng.pdf">https://ekitistate.gov.ng/wp-content/uploads/2020/citizens_eng.pdf</a></p> <p>f) The date of publication of the evidence of the dissemination events was on the 31st of July 2020 and the evidence obtained to confirm the dates of online publication is the screenshot from the back end of the IT service provider.</p> <p>g) The weblink of the publication is <a href="https://ekitistate.gov.ng/wp-content/uploads/2020/citizens_eng.pdf">https://ekitistate.gov.ng/wp-content/uploads/2020/citizens_eng.pdf</a></p>		
2	Has the State published online, on the State website(s) a Citizens Budget based on the Amended Budget (2020) not later than 30 September 2020?	<p>a) The Citizens budget based on the Amended Budget (2020) was published before the due date. The weblink is <a href="https://ekitistate.gov.ng/wp-content/uploads/2020/EKITI%20STATE%202020%20REVISED%20CIZENS'%20BUDGET.pdf">https://ekitistate.gov.ng/wp-content/uploads/2020/EKITI%20STATE%202020%20REVISED%20CIZENS'%20BUDGET.pdf</a> and it was accessed on the 14<sup>th</sup> of February 2022.</p> <p>b) A comparison of the Amended Budget 2020 with the Citizens Budget was done, and no areas of discrepancies were observed.</p> <p>c) The IVA confirmed that the Citizens' budget was prepared in the format suggested to the States in the Citizen Budget User Manual. The Citizens' budget shows:</p> <p>i. A simple explanation of the annual amended budget/citizen's budget. See page 1 of Ekiti State Covid-19 Responsive Citizens Budget.</p> <p>ii. The sources of revenues include: Statutory Allocation, Value Added Tax, Internally Generated Revenue, Domestic Grants, Other revenues. See page 5 of Ekiti State Covid-19 Responsive Citizens Budget.</p> <p>iii. Sources of domestic and foreign grants, domestic loans, and other financing sources are: State Fiscal Transparency</p>	Satisfactory	



Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Accountability and Sustainability (SFTAS) P for R, Sustainable Development Goals (SDGs) Conditional</p> <p>Grants Scheme (State &amp; Local Governments) and foreign grants include UNICEF Support to State Universal</p> <p>Basic Education Board (SUBEB), UNICEF Assisted Programmes, EKRUWASSA, EU Assisted Water Supply/Sanitation Reform Programme III. See pages 10 to 13 of Ekiti State Covid-19 Responsive Citizens Budget.</p> <p>iv. Total expenditure by economic classifications. See page 3 of Ekiti State Covid-19 Responsive Citizens Budget.</p> <p>v. The total revenue is N65.21BN and both internal and external grants are N8.615bn, total expenditure is N91.12BN, the budget deficit is N28.42BN, budget financing will be from Internally Generated Revenue, Internal and External Loans and financing gap also. See page 5 of Ekiti State Covid-19 Responsive Citizens Budget.</p> <p>vi. There is a disclosure of the Budget deficit to the tune of N28.4BN it will be financed by the external and internal loans as stated above. See page 5 of Ekiti State Covid-19 Responsive Citizens Budget.</p> <p>vii. Sectoral Allocation (by MDAs) was outlined in the revised citizens' budget. See page 16 of Ekiti State Covid-19 Responsive Citizens Budget.</p> <p>viii. Top Projects to be financed include the following:</p> <ul style="list-style-type: none"> <li>• Construction of New Iyin-Road N4.23bn</li> <li>• Airport Project N2.5bn</li> <li>• NEWMAP N2bn</li> </ul>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>• Third National Urban Water Sector Reform Project (NUWSRP-3) N1.63bn. See Pages 17 &amp; 18 of Ekiti State Covid-19 Responsive Citizens Budget.</li> <li>d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included.</li> <li>e) The recommended format was used, and there are no significant differences identified.</li> </ul>		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	<p>a) The Citizens Budget included an explanation of the key changes between the Original FY20 Budget and the Amended FY20 Budget. See Page 3 of the Revised Citizens' Budget.</p> <p>b) The Citizens Budget included Data on reallocations and adjusted spending priorities. See pages 15 &amp; 16 of the Revised Citizens' Budget.</p> <p>The IVA confirmed that the amended FY20 State budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.</p>	Satisfactory	
4	Does the State website have functional feedback and response online mechanisms?	<p>a) The State has established a functional feedback and response online mechanism on its website.</p> <p>b) The kind of feedback mechanism established on the State website is an online feedback submission form.</p> <p>c) The State's feedback mechanism provides at a minimum:</p> <ol style="list-style-type: none"> <li>i. Acknowledgement of receipt of comments/feedbacks from citizens</li> <li>ii. State's responses to comments/feedbacks</li> </ol>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>iii. Display of timeframe and the State's government contact details.</p> <p>d) To ascertain the functionality of the feedback mechanism, the IVA made an enquiry on the feedback mechanism platform of the State on how to access the 2020 Approved Budget. A response from an official email (<a href="mailto:sgbelee@ekitistate.gov.ng">sgbelee@ekitistate.gov.ng</a>) was received by the IVA detailing where to obtain the Approved Budget. Screenshots were obtained to support its findings.</p> <p>e) The IVA observed a demonstration carried out by the State Ministry of Budget to provide further evidence to demonstrate how the State has responded to feedback submitted online. From the assessment, IVA can conclude that the State's feedback mechanism is functional as screenshot evidence was obtained.</p> <p>f) The IVA can conclude that the State's feedback mechanism is functional.</p> <p>g) The weblink to the feedback mechanism is <a href="https://help.myekiti.com/">https://help.myekiti.com/</a></p>		
<b>DLI 3: Improved Cash Management and reduced Revenue</b>				
<b>Leakages through Implementation of State TSA</b>				
<b>DLR 3.0</b>	<b>Improved cash management and reduced revenue leakages through the implementation of State TSA</b>		<b>Not Achieved</b>	
1	Has the State established a functional State-level TSA?	<p>a. The State has established a functional state-level TSA.</p> <p>b. The State has one account that covers the following:</p>	Unsatisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>● IGR Main Account:</li> <li>● FAAC Account:</li> <li>● VAT Account:</li> </ul> <p>The Account Name: EKSG TSA SWEEPING  The Bank Name: ACCESS BANK  The Bank Account Number: 0795210033.</p> <p>However, the IVA observed from the TSA Statement from Access Bank that there are several inflows from other EKSG accounts, including a separate account for FAAC disbursements, for VAT, and for IGR which are held by various banks, and it is unclear whether these other FAAC, VAT and IGR accounts are spending accounts, or whether all the revenues received are swept into this TSA Account. Therefore, the Cash Management Strategy Committee is required to confirm and reaffirm with documentary evidence whether all the remittance receiving accounts are to be swept into this TSA account, while providing feedback on this report.</p> <p>The State has not provided efficient evidence whether all the remittance receiving accounts are to be swept into the TSA account from the State's response.</p>		
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide</p>	<p>The State has established a Cash Management Strategy.</p> <p>a) The Document's name is Ekiti State Cash Management Framework.</p> <p>b) The document was produced in August 2019 and signed by the Honorable Commissioner for Finance and The Accountant General for the State.</p> <p>c) The Clause Number and Page where it showed that it covered the processes mentioned in Chapter 4 Section 4.1.1 - 4.1.7, Page 30 - 32 (Instrument for Cash Management).</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	reliable information on the availability of funds.	<p>d) The State conducts these sweeps daily and its policy on sweeping of balances from other collecting banks is that "at the end of each working day the balance in each spending unit account is swept into the main TSA Account. (Chapter 2.2.6 (ii) Page 19).</p> <p>e) 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 on Chapter 4 Section 4.1.1 - 4.1.7, Page 30 - 32 (Instrument for Cash Management).</p>		
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	<p>Ekiti State has a computer application where the State has a central view of the cash balances in its bank account(s).</p> <p>a) The name of the computer application is Bank Accounts Monitoring System (BAMS), produced by Upper links Limited.</p> <p>b) The application is in line with the approved cash management strategy.</p> <p>c) It was deployed in March 2019.</p>	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.	<p>a) The IVA team visited 3 MDAs, the Ministry of Health, Education and Works of the State, interviews were done with the relevant government officials in the MDAs visited, the checks conducted at 3 MDAs confirmed that the State has a functional TSA.</p> <p>b) The Account Name: EKSG TSA SWEEPING The Bank Name: ACCESS BANK, The Bank Account Number: 0795210033.</p> <p>c) The IVA confirmed that all government monies go through this account.</p> <p>d) All government monies do not sit in the other revenue collecting banks.</p> <p>e) The TSA bank Statement was obtained.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
5	Does the TSA cover a minimum of 70% of the State Government's finances?	<p>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.</p> <p>See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Inflows</th> <th>Total Outflows</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>57,383,910,130.74</td> <td>56,396,113,722.34</td> </tr> <tr> <td>Government Finances*</td> <td>86,952,482,081.00</td> <td>85,845,719,213.00</td> </tr> <tr> <td>Percentage</td> <td>66%</td> <td>66%</td> </tr> </tbody> </table> <p>The average is percentage computation is:</p> $\frac{66\% + 66\%}{2} = 66\%$ <p>The TSA covered 66% of the State's finances.</p> <p>*Source: 2020 Audited Financial Statement (Cash Flow Statement) Pg. 35 &amp; 36 and 2020 Ekiti State TSA Statement from (Access Bank) for (1st January 2020 to 31st December 2020).</p> <p>The State has responded stating:</p>		Total Inflows	Total Outflows	TSA Bank Statement	57,383,910,130.74	56,396,113,722.34	Government Finances*	86,952,482,081.00	85,845,719,213.00	Percentage	66%	66%	Unsatisfactory	The State TSA should cover all of Government Finances
	Total Inflows	Total Outflows														
TSA Bank Statement	57,383,910,130.74	56,396,113,722.34														
Government Finances*	86,952,482,081.00	85,845,719,213.00														
Percentage	66%	66%														

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>“The 2020 APA Draft Report on DLI 3 put the State Government performance at 66% which, having looked into critically, showed that there were parameters not taken into cognizance in the computation of the percentage of finances that passed through TSA.</p> <p>The Cash Flow Statement which formed the basis of the computation showed the movement of funds of the State Government for the period under review. However, there were certain transactions that did not pass through the TSA but you wholesomely captured as such. The transactions are:</p> <ul style="list-style-type: none"> <li>a) Deductions at FAAC source</li> <li>b) Sub vented institutions revenues</li> <li>c) Counterpart funding from FGN institutions like UBEC or international organizations</li> <li>d) Domestic &amp; foreign loan repayments deducted at source</li> </ul>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>e) Capital projects financed by Grants</p> <p>f) Proceeds from foreign loans</p> <p>g) Proceeds from domestic loans that were conditioned to be separately kept in a dedicated bank account. E.g CBN-CACS loan of N5,000,000,000.00 kept in EKSG Commercial Agriculture Credit Scheme Account with Sterling Bank Plc.</p> <p>In the light of the above, the percentage of the State finances that passed through the TSA should be re-computed by factoring the above in order to give a true picture of the situation. Kindly see the attached (annexure I) for the details of the calculations. The new computation put the State Government performance at 78.71%.”</p> <p>However, the State’s finances are meant to pass through the TSA.</p>		
<b>DLI 4: Strengthened Internally Generated Revenue (IGR) Collection</b>				
<b>DLR 4.1</b>	<b>State implementing a consolidated state revenue code covering all state IGR sources and stipulating that</b>		<b>Previously Achieved</b>	



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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		in 2019 APA	
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) This has been previously achieved by the State.	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) This has been previously achieved by the State.	Satisfactory	
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the	a) This has been previously achieved by the State.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	accounts and is responsible for reporting and accounting for the revenues?			
4	<p>Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?</p> <p>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.</p>	a) This has been previously achieved by the State.	Satisfactory	
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	a) This has been previously achieved by the State.	Satisfactory	
<b>DLR 4.2</b>	<b>2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection</b>		<b>Not Achieved</b>	
1	<p>Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets?</p> <p><b>Basic Target: N/A</b></p>	a. The basis of accounting adopted by the State for 2019 and 2020 Audited Financial Statements is Accrual Basis of Accounting, however, the IGR is treated on a Cash Accounting basis of which there are no receivables for 2020 nor prepayments.	Unsatisfactory	The State should ensure significant year-on-year improvements in its IGR collection.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																																																				
	<p><b>Stretch Target:</b> equal to or higher than the 2019 nominal IGR collection</p>																																																						
<p>b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below:</p>																																																							
<table border="1"> <thead> <tr> <th data-bbox="663 318 884 509">REPORTING TEMPLATE: OPTION A</th> <th data-bbox="884 318 1094 509">NGN</th> <th data-bbox="1094 318 1310 509"></th> <th data-bbox="1310 318 1440 509">% GROWTH</th> </tr> <tr> <th data-bbox="663 509 884 542">Item</th> <th data-bbox="884 509 1094 542">2019</th> <th data-bbox="1094 509 1310 542">2020</th> <th data-bbox="1310 509 1440 542"></th> </tr> </thead> <tbody> <tr> <td data-bbox="663 542 884 634"><i>Memo: Reported IGR in AFS (Before Adjustments)</i></td> <td data-bbox="884 542 1094 634">15,374,717,873.60</td> <td data-bbox="1094 542 1310 634">10,557,553,945.05</td> <td data-bbox="1310 542 1440 634">-31%</td> </tr> <tr> <td data-bbox="663 634 884 699">VALID IGR items to be counted as IGR</td> <td data-bbox="884 634 1094 699">13,969,238,730</td> <td data-bbox="1094 634 1310 699">10,592,914,027</td> <td data-bbox="1310 634 1440 699"></td> </tr> <tr> <td data-bbox="663 699 884 764">Tax Revenue</td> <td data-bbox="884 699 1094 764">7,439,151,393.49</td> <td data-bbox="1094 699 1310 764">6,596,044,780.80</td> <td data-bbox="1310 699 1440 764"></td> </tr> <tr> <td data-bbox="663 764 884 862">Personal income tax (PAYE)</td> <td data-bbox="884 764 1094 862"></td> <td data-bbox="1094 764 1310 862"></td> <td data-bbox="1310 764 1440 862"></td> </tr> <tr> <td data-bbox="663 862 884 902">Licenses</td> <td data-bbox="884 862 1094 902">202,390,149.21</td> <td data-bbox="1094 862 1310 902">102,547,163.03</td> <td data-bbox="1310 862 1440 902"></td> </tr> <tr> <td data-bbox="663 902 884 943">Fees</td> <td data-bbox="884 902 1094 943">4,464,505,602.13</td> <td data-bbox="1094 902 1310 943">2,226,178,582.86</td> <td data-bbox="1310 902 1440 943"></td> </tr> <tr> <td data-bbox="663 943 884 984">Fines</td> <td data-bbox="884 943 1094 984">769,605,929.34</td> <td data-bbox="1094 943 1310 984">324,023,912.06</td> <td data-bbox="1310 943 1440 984"></td> </tr> <tr> <td data-bbox="663 984 884 1024">Sales – General</td> <td data-bbox="884 984 1094 1024">198,079,738.98</td> <td data-bbox="1094 984 1310 1024">209,757,316.80</td> <td data-bbox="1310 984 1440 1024"></td> </tr> <tr> <td data-bbox="663 1024 884 1195">Earnings (Excluding interest or investment income)</td> <td data-bbox="884 1024 1094 1195">870,851,354.53</td> <td data-bbox="1094 1024 1310 1195">1,080,684,082.25</td> <td data-bbox="1310 1024 1440 1195"></td> </tr> <tr> <td data-bbox="663 1195 884 1325">Rent of govt property/building</td> <td data-bbox="884 1195 1094 1325">277,000.00</td> <td data-bbox="1094 1195 1310 1325">112,000.00</td> <td data-bbox="1310 1195 1440 1325"></td> </tr> <tr> <td data-bbox="663 1325 884 1382">Rent on Lands &amp; Other General</td> <td data-bbox="884 1325 1094 1382">24,377,562.65</td> <td data-bbox="1094 1325 1310 1382">18,206,107.25</td> <td data-bbox="1310 1325 1440 1382"></td> </tr> </tbody> </table>				REPORTING TEMPLATE: OPTION A	NGN		% GROWTH	Item	2019	2020		<i>Memo: Reported IGR in AFS (Before Adjustments)</i>	15,374,717,873.60	10,557,553,945.05	-31%	VALID IGR items to be counted as IGR	13,969,238,730	10,592,914,027		Tax Revenue	7,439,151,393.49	6,596,044,780.80		Personal income tax (PAYE)				Licenses	202,390,149.21	102,547,163.03		Fees	4,464,505,602.13	2,226,178,582.86		Fines	769,605,929.34	324,023,912.06		Sales – General	198,079,738.98	209,757,316.80		Earnings (Excluding interest or investment income)	870,851,354.53	1,080,684,082.25		Rent of govt property/building	277,000.00	112,000.00		Rent on Lands & Other General	24,377,562.65	18,206,107.25	
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Other Revenue - Rent Income	-	35,360,081.50			
		"Adjusted IGR" for DLI 4.2 Calculation					
		Sum of all VALID items of IGR if AFS has that detail	13,969,238,730	10,592,914,027	-24%		
		$\frac{N10,592,914,027 - N13,969,238,730.33}{N13,969,238,730.33} \times 100$ $= -24\%$					
		There is a decline in growth by 24% when the 2020 nominal IGR collection is compared with the 2019 value.					
		Source: The Year 2020 Audited Financial Statement Page 41 and 42.					
<b>DLI 5: Biometric Registration and Bank Verification Number (BVN)</b>							
<b>Used to reduce Payroll Fraud</b>							
<b>DLR 5.1</b>	<b>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</b>					<b>Achieved</b>	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of	The State commenced and completed the Biometric data capture of the civil servant and pensioners from 2012 to 2015. a) The Biometric data capture was outsourced to Soft Alliance and Resource Limited.				Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	the current civil servants and pensioners on the State payroll?	<p>b) The total number of civil servants is 18,940.</p> <p>c) The total number of pensioners is 8,951.</p> <p>d) The total number of staff on the State Nominal roll and Payroll 27,891.</p> <p>e) The number of biometrics that has been captured by the State is 27,597.</p> <p>f) The document obtained by the IVA for the conclusion is the Office of the Accountant General's Progress Report on Ekiti State Biometric Payroll System. Page 2.</p> $\frac{27,597}{27,891} \times 100 = 98.95\%$ <p>The State had captured the biometrics of 98.95% of the State's civil servants and pensioners on its payroll.</p>		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<p>a) The State commenced and finished the linkage of the biometric data to the payroll from 2012 to 2015.</p> <p>b) The instances of biometrics data that have been linked to the payroll were 26,924.</p> <p>c) There were no ghost workers detected during the biometric validation exercise.</p> <p>d) There were no ghost workers detected.</p> <p>e) There were procedures in place for ensuring timely updates to the payroll to reflect leavers, retirees, and deaths. See Office of the Accountant General Reports for 2020 of Ghost Workers/Pensioners and Payroll/Pension Fraud Identified and Financial savings. Page 1.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>f) Procedures in place were immediate migration of Staff to pension on the attainment of retirement age, and others, (see Page 1-2 of Office of the Accountant General's Reports for 2020 of Ghost Workers/Pensioners and Payroll/Pension Fraud Identified and Financial Savings).</p> <p>g) There were changes to the civil servant pensioners' payrolls during the fiscal year as a result of retirement.</p> <p>h) These changes occur automatically as retirees are migrated to the pensioner's payroll system.</p> <p>i) Procedures in place were immediate migration of Staff to pension on the attainment of retirement age, and others, (see Page 1-2 of Office of the Accountant General's Reports for 2020 of Ghost Workers/Pensioners and Payroll/Pension Fraud Identified and Financial Savings).</p>		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<p>a) There were no ghost workers detected during the period under review. However, retirees are automatically migrated to the pensioner's payroll once they attain their retirement age or statutory service years.</p> <p>b) There were no ghost workers identified in the period under review. However, persons who retire are automatically migrated to the pensioner's payroll platform after due approval.</p> <p>c) The system automatically stops the payment of persons who attain the retirement age.</p> <p>d) There were no ghost workers removed from the payroll system except for the retirees who migrated to the pensioner's payroll immediately.</p> <p>e) There were no ghost workers.</p> <p>f) The sources of this information were the Office of the Accountant General's Progress Report on Ekiti State Biometric</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Payroll System and Report for 2020 of ghost workers/pensioners and payroll/pension fraud identified and financial savings.		
<b>DLR 5.2</b>	<b>Link BVN data to at least [90] percent of current civil servants and pensioners on the payroll and payroll fraud addressed</b>		<b>Achieved</b>	
1	Has the State linked the Bank Verification Number data to 90% of its current Civil Servants and pensioners on the State payroll?	<p>The State commenced and completed the linkage of BVN data of the civil servant and pensioners from 2012 to 2015. See page 1 of the Accountant General Progress Report on Ekiti State Biometric Payroll System.</p> <p>a) The Biometric capture was outsourced to Soft Alliance and Resource Limited.</p> <p>b) The total number of civil servants was 18,940.</p> <p>c) The total number of pensioners was 8,951.</p> <p>d) The total number of staff on the State Nominal roll was 27,891.</p> <p>e) The total number of payroll staff linked to BVN data were 26,924</p> <p>f) The documents obtained for the conclusion was, the Accountant General's Progress Report on Ekiti State Biometric Payroll System. Page 1-2.</p> $\frac{26,924}{27,891} \times 100$ <p>=97 %</p> <p>The State has linked 97% of the State's civil servants and pensioners' BVN data to the payroll.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Has the State taken steps to identify payroll fraud?	<p>a) The total number of Staff with BVN data is 26,924 and without BVN data is 2,967.</p> <p>b) There were no ghost workers detected during the period under review. However, retirees are automatically migrated to the pensioner's payroll once they attain their retirement age or statutory service years.</p> <p>c) There were no ghost workers identified in the period under review. However, persons who retire are automatically migrated to the pensioner's payroll platform after due approval.</p> <p>d) The system automatically stops the payment of persons who attain the retirement age.</p> <p>e) There were no ghost workers.</p> <p>f) The sources of this information were the Office of the Accountant General's Progress Report on Ekiti State Biometric Payroll System. And Report For 2020 Of Ghost Workers/Pensioners and payroll/ Pension Fraud Identified and Financial Savings.</p>	Satisfactory	
<b>DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money</b>				
<b>DLR 6.1</b>	<b>Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an</b>		<b>Previously Achieved in 2019 APA</b>	



Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<b>independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget</b>			
1	Does the State have a public procurement legal framework that must be approved by the State legislature to have a legal basis, either as a law or a resolution?	Previously achieved in 2019 APA		
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency, and 3) cover all MDAs receiving funds from the State budget.	Previously achieved in 2019 APA		
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency,	Previously achieved in 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>or any other type of entity set up for the statutory purpose?</p>			
<p><b>DLR 6.2</b></p> <p><b>Basic Target:</b> Framework contract for e-Procurement signed by 31 December 2020 AND Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the State website or online portal if available.</p> <p><b>Stretch Target:</b> 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</p> <p><b>AND</b></p> <p>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</p>		<p><b>Not Achieved</b></p>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<b>website or online portal if available.</b>			
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2020) that are above the threshold (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?	<p>a) The IVA obtained a schedule of all contracts awarded during the year 2020. There was no threshold amount as stated in Section 65 of the State's procurement manual thus all contracts are published on the state's OCDS portal.</p> <p>b) The IVA confirmed that the data published is in line with the Open Contracting Data Standards (OCDS)</p> <p>c) Date of Publication: The contracts were published on a rolling basis.</p> <p>d) The source of the publication:  <a href="https://ocds.bpp.ekitistate.gov.ng/Home/Procurements">https://ocds.bpp.ekitistate.gov.ng/Home/Procurements</a>.</p> <p>The IVA obtained a hard copy schedule of all contracts awarded during the year 2020 and observed that there was no threshold amount for publication of contracts online. Hence, all contracts were published. IVA confirmed that all contracts published were for the entire FY 2020.</p> <p>IVA compared the online publication with the hard copy schedule and found that there were no differences in content.</p> <p>The IVA compared what the State had published with the examples of templates provided and there were no differences in content.</p> <p>The IVA downloaded and retained a copy of the online publication and also retained a screenshot of the web page showing the web link.</p> <p>e) The minimum contract award information published are:</p> <p>(i) Project name</p>	Unsatisfactory	The State should adopt the OCDS fully and publish contract award information online as required under the standards.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>(ii) awarding institution (iii) name of contractor, and (iv) contract amount</p> <p>The Award dates were not included for each contract even though the database can be filtered by year, so that may give an indication of which year a contract was awarded. However, the requirement to disclose award dates was not met.</p> <p>All the required items were published except the award date. It was only possible to see the year when individual contracts listed on the OCDS page were clicked)</p> <p>It was further noted that all the publications for contracts for the year 2020 checked on the OCDS portal had publication dates of 2021 which means that the requirement to '<i>Publish contract award information above a threshold set out in the State's procurement law/regulation on a monthly basis in OCDS format on the state website or online portal if available</i>' may not have been met.</p> <p>However, from the weblink provided by the State OCDS.bpp.ekitistate.gov.ng, IVA observed the award dates for all the contracts awarded in the year 2020 were published on 19<sup>th</sup> February 2020.</p> <p>f) Weblink where the data was published: <a href="https://ocds.bpp.ekitistate.gov.ng/Home/Procurements">https://ocds.bpp.ekitistate.gov.ng/Home/Procurements</a></p> <p>The contract award information was published on the State official website and it is accessible to the public.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2 New	Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020?	<ul style="list-style-type: none"> <li>a) The State has signed the SaaS e-Procurement Framework Contract.</li> <li>b) The IVA obtained a copy of the SaaS e-Procurement Framework Contract.</li> <li>c) The State signed the framework contract on the 15th of December 2020 before the December 31<sup>st</sup>, 2020 deadline for this DLR.</li> </ul>	Satisfactory	
3 New	Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the 2020 results DLI is the implementation of e-Publishing/Notification module for contract notice and contract award?	<ul style="list-style-type: none"> <li>a) The State has not implemented e-procurement in at least 3 MDAs (Education, Health, and Public Works).</li> <li>b) The IVA could not carry out a walkthrough of the 5 transactions from each MDA as e-procurement was not operational in 2020.</li> <li>c) The IVA could not ascertain if selected transactions followed the procurement lifecycle as e-procurement was not operational as at 2020.</li> <li>d) The State had not implemented the E-Publishing/Notification module for contract notice and contract award in 2020.</li> <li>a) E-Publishing/Notification module was not effective during the year 2020.</li> </ul>	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).
<b>DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework</b>				
<b>DLR 7.1</b>	<b>State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.</b>		<b>Previously Achieved in 2019 APA</b>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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) This was previously achieved in 2019 APA	Previously Achieved in 2019 APA	
2	Does the legislation include provisions that establish the following?  1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and  3) Fiscal and debt rules/limits for the state.	a) This was previously achieved in 2019 APA	Previously Achieved in 2019 APA	
3	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the core function	a) This was previously achieved in 2019 APA	Previously Achieved in 2019 APA	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	of recording and reporting state debt?			
<b>DLR 7.2</b>	<p><b>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</b></p> <p><b>AND</b></p> <p><b>Annual state debt sustainability analysis published by end of December 2020</b></p>		<b>Achieved</b>	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average two months after the end of the quarter in 2020?	<p>a) We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> <li>• Q2 submitted on (17th August, 2020) - 48 days after the quarter-end,</li> <li>• Q3 submitted on (12th November, 2020), - 43 days after the quarter-end and</li> <li>• Q4 submitted on (12th February, 2021). - 43 days after the quarter-end</li> </ul> $\frac{48 + 43 + 43}{3}$ <p>=45 days (6.4weeks)</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The SDDR were submitted within an average of 1.6 months (45 days).		
2	<p><b>Note: Have you reviewed for accuracy and completeness from the DMO:</b></p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p>	<p>a) IVA obtained the State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents.</p> <p>b) We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with Ekiti State Debt Domestic Report along with all underlying data and both did not show the same amount. The report was supported with the DMO's templates and guidelines. There was a discrepancy of ₦6,812,397,547.35 between the State Domestic and External Debt Report (SDEDR) Quarterly and the State Domestic Debt Reports (SDDR).</p> <p>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.</p> <p>c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State as compared with the State Audited Financial Statement.</p> <p>d) The debt stock figures reported in the SDDR was compared with that of the State's Audited Financial Statement</p> <p>e) There were discrepancies noted during the comparison.</p> <p>SDDR Figure: ₦84,195,871,715.65</p> <p>AFS Figure: ₦84,195,871,615.65 (See Supplementary note 24A, page 142 of Ekiti State 2020 Audited Financial Statement</p> <p>Difference: ₦100.00</p>	Not Applicable	The state should submit accurate quarterly state domestic debt reports to the DMO



Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>f) The IVA noted this discrepancy and concluded it was immaterial. Therefore, no APA issue was raised.</p> <p>g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO was compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.</p> <p>h) The debt stock figures reported in the SDEDR, were compared with those of the SDDR submissions of the State</p> <p>i) There were errors or inconsistencies.</p> <p>i. SDEDR (DMO) Domestic Figure: ₦91,008,269,263.00</p> <p>ii. SDDR (State) Figure: ₦84,195,871,715.65</p> <p>iii. Difference: ₦6,812,397,547.35</p> <p>a) An APA issue report was raised for the State to explain the inconsistency and the State responded that “concerning the issue raised on the DLI 7.2, the discrepancy of ₦6,812,397,547.35 between the State Domestic and External Debt Report (SDEDR) from the Federal DMO and the Quarterly State Domestic Debt Reports (SDDR) submitted by the State, Ekiti State Government submitted a domestic debt stock balance of ₦84,723,128,108.48 to DMO in February 2021, after our financial year-end in December 2020. However, after reconciliation and negotiation of domestic debt, the domestic debt stock balance was reduced to ₦84,195,871,715.65, which is the same amount contained in our audited financial statements. A review of the DMO website (<a href="https://www.dmo.gov.ng/debt-profile/sub-national-debts/3492-states-fct-and-federal-government-s-external-debt-stock-as-at-december-31-2020">https://www.dmo.gov.ng/debt-profile/sub-national-debts/3492-states-fct-and-federal-government-s-external-debt-stock-as-at-december-31-2020</a>) shows a balance of ₦84.7 billion, which reflects our revised submission. However, this cannot be reflected in our 2020 audited financial statements, since the adjustment was made after the financial year-end. I believe the discrepancy between our records and what was provided by DMO is due to another adjustment that we only made in Q3 2021 to reflect our differential</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>cash reserve requirement (DCRR) facility, which was only accessed in 2021, and therefore, should form part of the 2020 debt stock. We have attached a copy of the DMO report as stated on their website and our submission to buttress our case.</p> <p>Regarding the external debt stock, the amount stated by the State was based on the advice of DMO, who is the custodian of external debt. It is important to note that DMO does not disaggregate external debt to allow for States to audit independently. Hence, we are dependent on the numbers provided by DMO without being able to interrogate the data. Therefore, any discrepancy noted should be discussed with DMO who provided the information that our external debt stock was a sum of ₦39,152,880,088.04 as against ₦39,255,913,983.00 (please see the attached correspondence from Federal DMO on this)."</p> <p>IVA has reviewed the State's response on the discrepancy of ₦6,812,397,547.35. However, conclusions reached in this report are based on the DMO data.</p>		
3 New	Has the State published online the State Debt Sustainability Analysis Reports (SDSAR) by 31 December 2020?	<p>a) The State Debt Sustainability Analysis Report (SDSAR) was published on the State's official website.</p> <p>b) The date of publication was 31st December, 2020.</p> <p>c) The SDSAR was published by 31 December 2020. IVA obtained timestamp and screenshots taken from the IT back end of the State's website showing the date of online publication.</p> <p>The web link is: <a href="https://ekitistate.gov.ng/wp-content/uploads/2020/debt_sust_Analysis.pdf">https://ekitistate.gov.ng/wp-content/uploads/2020/debt_sust_Analysis.pdf</a></p>	Satisfactory	
4 New	Does the SDSAR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and	<p>Upon review of the State Debt Sustainability Analysis Report (SDSAR), it included the following:</p> <p>(1) Adequate presentation of medium-term budget forecasts, including:</p> <p>(a) Presentation of MTB forecasts</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	borrowing options, and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	<p>(b) Description of assumptions underpinning the MTB forecasts. See pages 15 and 16 of Ekiti State DSAR 2020.</p> <p>(2) A detailed and adequate description of the debt portfolio and borrowing options, including:</p> <p>a. Presentation of debt and borrowing projections in the baseline scenario.</p> <p>b. Description of assumptions underpinning the borrowing options. See pages 32, 33, and 37 of Ekiti State DSAR 2020, and</p> <p>(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year. See pages 20-27 of Ekiti State DSAR 2020.</p> <p>a) 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. The SDSAR obtained from the State included; Presentation of MTB forecasts from 2020 to 2023, Presentation of debt and borrowing projections in the baseline scenario with projected figures from 2020 to 2029, and Debt and fiscal annual figures for 2019. There was no difference between the SDSAR obtained from the DMO and that obtained from the State.</p>		
<b>DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears</b>				
<b>DLR 8.0</b>	<b>Basic Target:</b> Domestic arrears as of end 2019 and end 2020 are reported in an online publicly-accessible database, with a verification process in place.		<b>Achieved (Basic Target Met)</b>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p><b>Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with a verification process in place</b></p> <p><b>AND</b></p> <p><b>at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock below 5 billion.</b></p>			
1	Has the State established an Arrears Clearance Framework (ACF)?	<p>a) The State has established an Arrears Clearance Framework (ACF).</p> <p>b) The IVA has obtained a copy of the ACF from the State.</p> <p>c) The State established an ACF in November 2019 and had a revised ACF on 6<sup>th</sup> October 2020.</p> <p>d) The establishment of the ACF was 3 months before the 31<sup>st</sup> December 2020 year-end, and this was adequate to allow time for the implementation of the ACF</p>	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an	<p>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	explicit prioritization of expenditure arrears to be settled.	<p>b) The evidence seen when reviewing the ACF, showed that the ACF contained the two stated requirements on the ACF page 7 Section 2 and 3 (Annexure ii-iii).</p> <p>Other documents submitted by the State to confirm the ACF exists was Ekiti State Arrears Reporting, Verification and Clearance Report (EKSARVCR) and SDDR</p>		
3	Has the ACF been published on a State official website?	<p>a) IVA confirmed that the ACF has been published on a State official website.</p> <p>b) IVA downloaded a copy for validation.</p> <p>c) The weblink and the evidence obtained to confirm the date of publication was:  <a href="https://www.ekitistate.gov.ng/wp-content/uploads/EKITI-STATE-2020-ACF.pdf">https://www.ekitistate.gov.ng/wp-content/uploads/EKITI-STATE-2020-ACF.pdf</a></p> <p>The State is required to ensure the website is functioning optimally at all times to serve critical stakeholders.</p>	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	<p>The clearance of domestic expenditure arrears was not consistent with the ACF.</p> <p>The IVA observed that the clearance of arrears was not consistent with the ACF because the payments made in 2020 did not follow the prioritization policy in the ACF. An APA issue was raised and the State responded thus:</p> <p>“As regards the 2020 Arrear Clearance Framework, please note that on the process of the prioritization of the clearance of the arrears, there was an emergency that necessitated emergency actions and a deviation from the plan.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>In this instance, during the year, we were served with several garnishees' proceedings, which required the State to reprioritize certain contractors and judgment debts to prevent a shutdown of government activities."</p> <p>The IVA noted the response and reviewed the garnishee proceedings for Monday 16<sup>th</sup> November 2020. This has been retained in file.</p>		
5.	<p>Has the State established an Internal Domestic Arrears Database?</p> <p>a) The State has an established Internal Domestic Arrears Database: The DMO sends letters to the relevant MDAs (Ministry of Justice, Pension Transitional Arrangement Department, and Office of the Accountant General) requesting the local debt status of Judgment Debts, Pension &amp; Gratuities, and Salary and contractors respectively, for the year. The responses from these MDAs are collated and filed in DMO. This is what constitutes their domestic arrears database.</p> <p>b) The Internal Domestic Arrears Database includes:</p> <ul style="list-style-type: none"> <li>i. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, at a minimum, the internal domestic arrears database also includes the names of the contractors, the amounts due at the end-of-year, the nature of the goods and services procured that generated the claim, and billing data. The database showed the total domestic arrears stock at the end of each year.</li> <li>ii. The aggregate amount of pension and gratuity arrears.</li> <li>iii. The aggregate amount of salary arrears and other staff claims.</li> <li>iv. The aggregate amount of other types of domestic arrears,</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) A verification process was in place for the arrears in the database, see Page 2-4 of the SARVCR.</p> <p>d) The IVA confirmed through the evidence provided by the State that the State has conducted verification of arrears balances. See SARVCR addendum.</p> <p>e) The IVA conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking the documents received from the MDAs responsible for maintaining the database to confirm the final amount of arrears.</p> <p>f) The State submitted to the IVA the annual state arrears recording, verification, clearance report (SARVCR) and SDDR Q4 2020 AND SDDR(Revised) Quarter 4 2020.</p>		
6	Has the State published online elements of the internal domestic arrears database for the FY <b>2019</b> and FY <b>2020</b> reported on a State official website, which constitutes the online publicly accessible arrears database?	<p>a) The State has published online the required elements of the Internal Domestic Arrears Database as of the end of 2019 and 2020.</p> <p>b) The 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.</p> <p>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 filling a confidential form online and attaching supportive evidence of her claim. 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.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) The IVA confirmed that the online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State.</p> <p>e) The IVA conducted a test of the facility for contractors with arrears (creditors) to report any omissions to the State and there was a response. weblink: <a href="https://help.myekiti.com/">https://help.myekiti.com/</a> and there was a response to the query. A screenshot has been saved to the file.</p> <p>f) There were no records from the State on the omissions reported by contractors each year and how they were treated.</p> <p>g) There were no records of omissions of contractor arrears that were found to be valid and subsequently included in the internal domestic arrears database.</p> <p>h)The weblinks to the online publicly accessible arrears database is:</p> <p><a href="https://www.ekitistate.gov.ng/finance-budget/">https://www.ekitistate.gov.ng/finance-budget/</a> and</p> <p><a href="https://www.ekitistate.gov.ng/wp-content/uploads/2021/Dec2020ContractorsDetails.pdf">https://www.ekitistate.gov.ng/wp-content/uploads/2021/Dec2020ContractorsDetails.pdf</a></p> <p>The State has a functional online facility for verification of arrears</p>		
7.	Does the online publication include?	The online publication includes the aggregate amount for the four types of arrears. Weblink is; <a href="https://ekitistate.gov.ng/wp-content/uploads/2021/Q4DDRRevised.pdf">https://ekitistate.gov.ng/wp-content/uploads/2021/Q4DDRRevised.pdf</a>	Satisfactory	



Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																
	<p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	<p>The online publication contained names of contractors owed ₦20m in arrears and above.</p> <p><a href="https://www.ekitistate.gov.ng/wp-content/uploads/2021/Dec2020ContractorsDetails.pdf">https://www.ekitistate.gov.ng/wp-content/uploads/2021/Dec2020ContractorsDetails.pdf</a></p>																					
8.	<p>Has the State met the following:</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2020 compared to end 2019 meets target and is consistent with the state's</p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2020</th> <th>2019</th> <th>% diff.</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>2,336,645,135.01</td> <td>2,797,393,471.46</td> <td>16.47</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>14,628,272,663.05</td> <td>14,592,690,133.05</td> <td>-0.24</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>4,977,800,451.35</td> <td>4,977,800,451.40</td> <td>0</td> </tr> </tbody> </table>				Aggregate Amount of:	2020	2019	% diff.	Contractors Arrears	2,336,645,135.01	2,797,393,471.46	16.47	Pension and Gratuity arrears	14,628,272,663.05	14,592,690,133.05	-0.24	Salary arrears and Staff claims	4,977,800,451.35	4,977,800,451.40	0	Unsatisfactory	The State should ensure a reduction of domestic arrears debt stock to at least 5% or maintain arrears below ₦5 billion
Aggregate Amount of:	2020	2019	% diff.																				
Contractors Arrears	2,336,645,135.01	2,797,393,471.46	16.47																				
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Salary arrears and Staff claims	4,977,800,451.35	4,977,800,451.40	0																				

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations												
<p>arrears clearance framework.</p> <p><b>-Stretch target:</b> At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion.</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.</i></p>	<table border="1"> <tr> <td>Judgment Debt</td> <td>829,382,226.28</td> <td>1,079,768,735.28</td> <td>23.2</td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Domestic Arrears</td> <td>22,772,100,475.69</td> <td>23,447,652,791.19</td> <td>2.88</td> </tr> </table>	Judgment Debt	829,382,226.28	1,079,768,735.28	23.2	Other types of domestic expenditure arrears	-	-	-	Total Domestic Arrears	22,772,100,475.69	23,447,652,791.19	2.88						
	Judgment Debt	829,382,226.28	1,079,768,735.28	23.2															
	Other types of domestic expenditure arrears	-	-	-															
	Total Domestic Arrears	22,772,100,475.69	23,447,652,791.19	2.88															
<p>a. We obtained the Domestic arrears figures from the State's SARVCR/internal domestic arrears database and confirmed it was the same as the balances stated within the SDDR and the AFS for 2020.</p> $\frac{23,447,652,791.19 - 22,772,100,475.00}{23,447,652,791.19} \times 100 = 2.88\%$ <p>The percentage decline is 2.88%</p> <p>Sources for internal domestic arrears:</p> <p>i. Judgment Debt - Re: Request for Ekiti State Local Debt Status as at 31st December 2020 from Ministry of Justice</p> <p>ii. Salary and other claims - Re: Request for Ekiti State Local Debt Status as at 31st December 2020 from Office of the Accountant General (1)</p>																			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations						
		<p>iii. Contractors' arrears- Re: Request for Ekiti State Local Debt Status as at 31st December 2020 from Office of the Accountant General (2)</p> <p>iv. Pension and Gratuities: Re: Request for Ekiti State Local Debt Status as at 31st December 2020 from Pension Transitional Arrangement Department (PTAD)</p>								
<b>DLI 9: Improved Debt Sustainability</b>										
<b>DLR 9.0</b>	<p><b>Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target:</b></p> <p><b>Basic target: &lt; [150%]</b></p> <p><b>Stretch target: &lt; [125%]</b></p>		<b>Not Achieved</b>							
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31<sup>st</sup> December 2020) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1<sup>st</sup> January to 31<sup>st</sup> December 2020)?</p> <p><b>Basic target:</b>&lt; [150%] <b>Stretch target:</b> &lt; [125%]</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p><b><u>Total Public Debt</u></b></p> <table border="1"> <thead> <tr> <th></th> <th>Financial Statements</th> <th>DMO/SDEDR Figures</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>84,195,871,615.64</td> <td>91,008,269,623.05</td> </tr> </tbody> </table>		Financial Statements	DMO/SDEDR Figures	Total Domestic Debts	84,195,871,615.64	91,008,269,623.05	Unsatisfactory	The State should reduce its debt to revenue ratio and ensure the debt is sustainable. As a general guide, debt should not be more than 125% of Revenues and should ideally be much less.
	Financial Statements	DMO/SDEDR Figures								
Total Domestic Debts	84,195,871,615.64	91,008,269,623.05								

Disbursement Linked Indicators (DLIs) and Tests	Findings		Conclusion	Recommendations																
		<table border="1" data-bbox="682 240 1251 521"> <tr> <td data-bbox="682 240 800 383">Total External Debts</td> <td data-bbox="804 240 1024 383">39,152,884,088.05</td> <td data-bbox="1029 240 1251 383">39,255,913,983.01</td> </tr> <tr> <td data-bbox="682 386 800 521"><b>Total Public Debts</b></td> <td data-bbox="804 386 1024 521"><b>123,348,755,703.69</b></td> <td data-bbox="1029 386 1251 521"><b>130,264,183,606.06</b></td> </tr> </table> <p data-bbox="661 574 919 602"><b><u>Total annual revenue</u></b></p> <table border="1" data-bbox="682 621 1230 1076"> <tr> <td data-bbox="682 621 1005 740">2020 Adjusted IGR (see DLI 4.2)</td> <td data-bbox="1010 621 1230 740">10,592,914,027</td> </tr> <tr> <td data-bbox="682 743 1005 824">Gross FAAC Allocation</td> <td data-bbox="1010 743 1230 824">46,951,800,533.25</td> </tr> <tr> <td data-bbox="682 828 1005 909">Grants</td> <td data-bbox="1010 828 1230 909">12,756,337,836.81</td> </tr> <tr> <td data-bbox="682 912 1005 993">Other Revenues</td> <td data-bbox="1010 912 1230 993">61,195,784.90</td> </tr> <tr> <td data-bbox="682 997 1005 1076"><b>Total Revenue</b></td> <td data-bbox="1010 997 1230 1076"><b>70,362,248,182</b></td> </tr> </table> <p data-bbox="661 1133 1444 1333">a. The State’s domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2020 is as at the end of Q4 2020 We have computed the total debts stock / Revenue percentage for the 2020 year, as follows:</p>	Total External Debts	39,152,884,088.05	39,255,913,983.01	<b>Total Public Debts</b>	<b>123,348,755,703.69</b>	<b>130,264,183,606.06</b>	2020 Adjusted IGR (see DLI 4.2)	10,592,914,027	Gross FAAC Allocation	46,951,800,533.25	Grants	12,756,337,836.81	Other Revenues	61,195,784.90	<b>Total Revenue</b>	<b>70,362,248,182</b>		
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	$\frac{130,264,183,606.06}{70,362,248,182.00} \times 100 = 185\%$ <p><b>Sources:</b></p> <ol style="list-style-type: none"> <li>1. For Total Revenue from 2020 Audited Financial Statement, Pages 41 &amp; 42 (Notes 3-6) and FAAC/OAGF excel sheet "2018-2020 States FAAC for DLI 9"</li> <li>2. For Total Public Debt from DMO as at December 31, 2020, excel file "State Debt Revised and Reconciled 2020 SDEDR 02.02.2002"</li> </ol> <p>*Table 3(i) below holds a breakdown of the Total Debt.</p> <ol style="list-style-type: none"> <li>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.</li> <li>c. There is a difference of 6,915,427,902.37 and an APA issue report has been given to the State to explain the discrepancy. The IVA is awaiting a response.</li> <li>d. The difference has been communicated to the State for an explanation.</li> <li>e. The difference has been calculated in value (6,915,427,902.37) and percentage (5.61%) terms, and</li> </ol> <p>The SDEDR was not amended and resubmitted to the IVA along with explanations for any changes.</p>		

#### 4. Appendices

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

EKITI STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,329,147,259.67
BAIL OUT (SALARIES) (SOURCE CBN)	8,672,787,709.19
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	17,433,756,271.19
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,073,986,673.03
STATE BONDS	-
COMMERCIAL BANK LOANS	5,263,301,912.51
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	4,963,189,321.77
INFRASTRUCTURE LOANS (CBN FACILITIES)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	1,500,000,000.00
JUDGMENT DEBTS	829,382,226.28
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	2,336,645,135.01
PENSION AND GRATUITY ARREARS	14,628,272,663.05
SALARY ARREARS AND OTHER CLAIMS	4,977,800,451.35
OTHER DEBTS	-
<b>TOTAL DOMESTIC DEBT (TDD)</b>	<b>91,008,269,623.05</b>
TOTAL EXTERNAL DEBT (TED)	39,255,913,983.01
<b>TOTAL PUBLIC DEBT (TED+TDD)</b>	<b>130,264,183,606.06</b>

Source: excel file "State Debt Revised and Reconciled 2020 SDEDR 02.02.2002"

## 4.2 TABLE 3(ii): DLI 9 31 DECEMBER 2020 - ADJUSTED REVENUE TABLES FOR EKITI STATE

TEMPLATE: <b>OPTION A</b>	NGN
Item	2020
<b>1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)</b>	<b>46,951,800,533</b>
<b>1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)</b>	<b>33,042,174,628</b>
1.1.1 Gross statutory allocation	29,327,964,693
1.1.2 Derivation	-
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	3,714,209,935
<b>1.2 VAT</b>	<b>13,909,625,905</b>
<b>2. Internally Generated Revenues (IGR) – Adjusted</b>	<b>10,592,914,027</b>
<b>3. Grants (internal and external)</b>	<b>12,756,337,837</b>
<b>4A. Other revenues (4.1 + 4.2 + 4.3)</b>	<b>61,195,785</b>
4.1 Investment Income (e.g., dividends)	54,857,143
4.2 Interest Earned	-
4.3 Miscellaneous	6,338,642
<b>Total Revenues and Grants Calculations</b>	
<b>A) Total Revenues and Grants is (1+2+3+4A)</b>	<b>70,362,248,182</b>

Source: 2020 Audited Financial Statement, Pages 41 & 42 (Notes 3-6) and FAAC/OAGF excel sheet "2018-2020 States FAAC for DLI 9"

## 5. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p>DLI 3: IMPROVED CASH MANAGEMENT AND REDUCED REVENUE LEAKAGES THROUGH IMPLEMENTATION OF STATE TSA</p> <p>The 2020 APA Draft Report on DLI 3 put the State Government performance at 66% which, having looked into critically, showed that there were parameters not taken into cognizance in the computation of the percentage of finances that passed through TSA.</p> <p>The Cash Flow Statement which formed the basis of the computation showed the movement of funds of the State Government for the period under review. However, there were certain transactions that did not pass through the TSA but you wholesomely captured as such. The transactions are:</p> <ul style="list-style-type: none"> <li>a) Deductions at FAAC source</li> <li>b) Subvented institutions revenues</li> <li>c) Counterpart funding from FGN institutions like UBEC or international organisations</li> <li>d) Domestic &amp; foreign loan repayments deducted at source</li> <li>e) Capital projects financed by Grants</li> <li>f) Proceeds from foreign loans</li> <li>g) Proceeds from domestic loans that were conditioned to be separately kept in a dedicated bank account. E.g CBN-CACS loan of N5,000,000,000.00 kept in EKSG Commercial Agriculture Credit Scheme Account with Sterling Bank Plc</li> </ul>	<p>From the State's response, IVA concluded that all State's finances are meant to pass through the TSA.</p>



	In the light of the above, the percentage of the State finances that passed through the TSA should be re-computed by factoring the above in order to give a true picture of the situation. Kindly see the attached (annexure I) for the details of the calculations. The new computation put the State Government performance at 78.71%.	
2	<p>We published the document monthly in an OCDS compliant format in previous review (2018). However, with the Year 2020, we published our records in the same compliant format, but had to migrate our portal because of security concern with the previous host. Due to the sensitive nature of the records, we migrated the portal to a new host, which explains the discrepancy with the publication date.</p> <p>The date of award can be filtered from our records, which is also compliant with OCDS. The award date can be found on the dashboard for each contract.</p> <p>OCDS.bpp.ekitistate.gov.ng</p>	From the weblink provided by the State OCDS.bpp.ekitistate.gov.ng, IVA observed the award dates for all the contracts awarded in the year 2020 were published on 19 <sup>th</sup> February 2020.
3		
4		