



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

2019 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 JK Consulting Co. Ltd**



November 2020

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1 Executive Summary

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

Table 1 (below) reflects the outcome of the 2019 APA for Ekiti State and shows areas where the State achieved results. In total, Ekiti State achieved **10 (Ten)** DLRs out of 15 DLRs applicable to 2019. Three of the achieved DLRs were due for assessment during the 2020 APA but have been assessed early as requested by the Programme.

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

1. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual requirements for this result.
2. DLR 3.0: Develop a functional State-level TSA where all Government revenues are credited into before expenditure and increase the percentage of State government finances flowing through the TSA to at the least the minimum required to achieve this result.
3. DLR 4.2: Increase its IGR revenue to achieve a minimum of 20% nominal annual growth rate.
4. DLR 6.2: Contract award information published online should be in line with the Open Contracting Data Standards (OCDS) information requirements.
5. DLR 9: Reduce its Debt Stock to Revenue ratio to a level adequate for the achievement of this result.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY19 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		Quarterly budget implementation reports published on average within 5.5 weeks
	DLR 1.2: FY19 deviation for total budget expenditure is < 25%		Budget deviation was 34.2%
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2020 budget.		Formal public consultations were held, and minutes published online, on 10 th October 2019.
	DLR 2.2: Citizens' budget based on approved FY19 State budget published online by end April 2019.		Citizens' budget was published online.

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 3: Improved cash management and reduced revenue leakages through implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 60 percent of state government finances implementation of State TSA		The State TSA covered 4.75% of the Government finances.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		This is a 2020 result assessed early. All requirements were met.
	DLR 4.2: 2019-2018 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more		The annual nominal IGR growth rate was 17.5%
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 75 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		The State has captured 95.99% Biometrics of civil servants and pensioners and linked to payroll.
	DLR 5.2: Link BVN data to at least 75 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		The State has linked 85.32% BVN data of civil servants and pensioners to payroll
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agencies; and 3) Cover all MDAs receiving funds from the state budget.		This is a 2020 result assessed early. All three requirements were met.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the state website		Contracts award information was not in line with the OCDS requirements.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		This is a 2020 result assessed early. All three requirements were met.
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2019		Quarterly State debt reports accepted by the DMO on average 1.9 months.
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established and Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.	Basic target met	The percentage decline in verified stock of domestic arrears was 7.63%
DLI 9: Improved debt sustainability	Total debt stock at end of December 2019 as a share of total revenue for FY2019 meets target: Basic target: < 140%, Stretch target: < 115%. and Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2019.		Total Debt Stock to Revenue is 143% and Debts service deductions is 16.9%

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

2. Introduction

2.1 Overview

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

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

2.2 Scope

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

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitised on the requirements of the program and on the protocol for 2019. The assessment results are binary (Pass or Fail), as that is how the Program for Results was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit and a template with which to report the results achieved. The assessments were conducted between *(31/08/2020 and 04/09/2020)* with a team of four (4) persons, starting with an opening meeting where all the information requested were handed over. The visit was concluded with an exit meeting where the initial findings were discussed, and each state was given further opportunity to provide clarifications and/additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2019] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management		Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within six weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on (ekitistate.gov.ng/finance-budget) as follows:</p> <ul style="list-style-type: none"> • Q1 – (10/05/2019)- 5.5 weeks (40 days) • Q2 – (07/08/2019) - 5.3 weeks (38 days) • Q3 – (08/11/2019) – 5.4 weeks (39 days) • Q4 – (12/02/2020) – 6.1 weeks (43 Days) <p>Average weeks for the online publication are computed as below:</p> $\frac{40+38+39+43}{4}$ <p>Average = <u>5.5weeks (40 days)</u></p> <p>We downloaded the quarterly budget implementation reports for all four quarters of the year 2019 and obtained evidence of a time stamp of the publications.</p>	Satisfactory	
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget	From our review of the quarterly budget implementation reports downloaded from the State’s website - ekitistate.gov.ng/finance-budget), we observed following:	Satisfactory	The State should state clearly on quarterly basis, the

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>appropriation for the year against each organizational units (MDAs) for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year to date, and balances against each of the revenue and expenditure appropriations.</p>	<p>a) The budget implementation reports downloaded, and the hard copy obtained from the State included all the four quarters.</p> <ul style="list-style-type: none"> • Q1 and Q2 of the budget implementation report was prepared based on the original approved budget while • Quarter 3 & 4 included the revised for each organizational unit (MDA) for each of the core economic classification of expenditures. <p>b) The reports obtained included the actual and cumulative expenditures for all the quarters and for each MDA. It should be noted that the reports reviewed through the weblink provided do not include expenditures for the quarter, except Q1 and instead report only the cumulative expenditure. While the verification protocols state the requirement for presentation of expenditures for the quarter in addition to cumulative expenditures, the quarterly expenditures can be derived from the cumulative expenditures across the four quarters reports, which also contain all the other information required.</p> <p>(c) The budget implementation reports included the balances against each of the revenue and expenditure appropriations for each MDA.</p> <p>(d) The State has a revised budget for the year 2019.</p> <p>(e) Q1 and Q2 of the budget implementation report was prepared based on the original approved budget while Q3 and Q4 included the revised budget. The original approved and revised expenditure components remained the same while the figures attached to those components changed. However, the total expenditure for the original and revised expenditures remained the same.</p> <p>The reports included (1) the approved budget appropriation for the year for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others); (2) the actual expenditures for the quarter and (3) the balances against each of the revenue and expenditure appropriations.</p>		<p>total expenditure for the quarter as well as the cumulative expenditure across the four quarters.</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
3	Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for year to date?	Upon review of the State's Budget Performance reports, the report 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 servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	Upon review of the State's budget performance reports, the report stated the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory													
DLR 1.2	FY [2019] deviation from total budget expenditure is less than 25%		Not Achieved													
1	Has the State computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 25%	<p>The State computed the budget deviation for 2019 to be 34.87%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="758 1114 1383 1256"> <thead> <tr> <th></th> <th>Original Budget</th> <th>Actual Outturn</th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>57,214,891,758.72</td> <td>16,640,857,658.49</td> </tr> <tr> <td>Rec. Exp</td> <td>72,709,580,376.29</td> <td>68,459,231,541.20</td> </tr> <tr> <td>Total</td> <td>129,924,472,135.01</td> <td>85,100,089,199.69</td> </tr> </tbody> </table> <p style="text-align: center;"> $\frac{N129,924,472,135.01 - N85,100,089,199.69}{N129,924,472,135.01} \times 100$ = 34.5% </p>		Original Budget	Actual Outturn	Capital	57,214,891,758.72	16,640,857,658.49	Rec. Exp	72,709,580,376.29	68,459,231,541.20	Total	129,924,472,135.01	85,100,089,199.69	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	Original Budget	Actual Outturn														
Capital	57,214,891,758.72	16,640,857,658.49														
Rec. Exp	72,709,580,376.29	68,459,231,541.20														
Total	129,924,472,135.01	85,100,089,199.69														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>The budget performance deviation is 34.5%</p> <p>Sources: Actual Outturn: FY2019 Audited Financial Statement (Page 15 and 19) Approved Budget Expenditure - Appropriation Law 2019 (Page 2-4).</p>		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2020] budget		Achieved	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with participation of local government authorities and State-based CSOs?	<p>We obtained and reviewed the attendance register, Minutes, photographs, and videos of the public consultation</p> <p>a) The public consultations were held in the three senatorial districts of the State on the same date 10th October 2019 with the following Local Governments in attendance: Ijero LGA, Irepodun/Ifelodun LGA, Ado LGA, Ekiti West LGA, Ikere LGA, Gbonyin LGA, Ekiti South-West LGA, Oye LGA, Ikole LGA, Ilejemeje LGA</p> <ul style="list-style-type: none"> • Ekiti South held at City hall - Ikere Ekiti. • Ekiti North held at Local Government Council Hall, Ikole Ekiti. • Ekiti Central held at A. B Event Centre, Ado-Ekiti, <p>b) The CSO representatives in attendance includes PAAM LITXVOC Org, others in attendance were: Artisan, Okada Union, Trader, Transport Union(driver) etc.</p> <p>c) The minutes, attendance list and pictures have been obtained as evidence that a formal public consultation was held.</p> <p>d) A sample of 10 attendees were interview through phone calls and evidence documented.</p> <p>e) The consultation was done first, on the 10th October 2019 while the budget was drafted on 1st November 2019.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2020 to enable citizens to find the inputs easily?	<p>a) The minutes of the public consultations was jointly prepared, and a representative of the State based CSOs (PAAM LITXVOC Org) co-signed the minutes.</p> <p>b) The title of the communique was “Report of the consultative/townhall meeting of His excellency, the Governor of Ekiti state Dr. John Kayode Fayemi with stakeholders towards the preparation of the 2020 budget, held on Thursday 10th October 2019”</p> <p>Weblink: ekitistate.gov.ng/wpcontent/uploads/2019/07/2020report.pdf</p> <p>See Appendix A for weblinks to the proposed/final budget</p>	Satisfactory	
DLR 2.2	Citizens’ budget based on approved FY19 State budget published online by end April 2019.		Achieved	
1	Has the State published online, on the State website(s) a <i>Citizens Budget based on the approved FY19 State budget</i> not later than 30 April 2019?	<p>The Citizens budget based on approved FY19 State budget was published before the due date and accessed on (29/04/2019).</p> <p>Weblink: ekitistate.gov.ng/oldsite/wpcontent/uploads/downloads/2019/2019CitizensBudget(English).pdf</p>	Satisfactory	
2	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY19 State budget?	<p>We confirmed that the Citizens budget summarizes in a comprehensible manner to citizens the approved FY19 State budget. It accurately includes the key budget information from the original budget, including the following:</p> <ol style="list-style-type: none"> i. A simple explanation of the annual budget/citizen’s budget. ii. Breakdown of revenues and expenditures iii. Disclosure of Budget deficit (if any) and how it will be financed. iv. Sectoral Allocation (MDAs by MDAs) v. Top Projects to be financed (at least 5) <p>The Citizens budget and the suggested format provided to the state were compared, and found to be same</p>	Satisfactory	
DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 3.0	Improved cash management and reduced revenue leakages through implementation of State TSA		Not Achieved	
1	Has the State established a functional State-level TSA?	<p>a. The State has not established a functional State-level TSA.</p> <p>b. The State operates multiple accounts namely:</p> <ul style="list-style-type: none"> • IGR Main Account: Access No 0005096622 • FAAC Account: Access No 0789921053 • EKSG TSA is Access Bank, Account Number 0795210033. 	Unsatisfactory	The State should establish a functional State-level TSA
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 is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>Ekiti State has in place an approved Cash Management Strategy called “Ekiti State Government Cash Management Strategy”</p> <p>a. The Ekiti State Government Cash Management Strategy was produced in August 2019 and signed by the Honourable Commissioner for Finance, Accountant General, Permanent Secretary and the Governor.</p> <p>b. Chapter 4 Section 4.1.1 - 4.1.7, Page 30 - 32 (Instrument for Cash Management) contained the processes mentioned by the protocols.</p> <p>c. Section 4.2.2 Page 35 states that in the process of consolidating government accounts there has been a continuous mopping up of MDAs’ bank accounts however it does not specify the period whether daily, weekly, or bi-weekly.</p> <p>e. The Strategy covers the processes through which the State Ministry of Finance or Ministry of Budgets/Economic Planning can forecast cash commitments and requirements. This is achieved through the cash forecast mechanism of the Medium-Term Expenditure Framework produced by the State. The State used and relied on the cash survey report to provide information on the availability of funds. We obtained the two aforementioned documents.</p> <p>Source: Cash Management Strategy - Page 30 - 32, Section 4.1.1 – 4.1.7 MTEF: 2019 - 2021 MTEF Summary of Forecast.</p>	Satisfactory	
3	Does the TSA have a system of cash management that allows for a	The State has a computer application where the State can view the cash balances in the bank account(s).	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	<p>a) The State is using an app provided and produced by Upper links Nig Ltd called Bank Account Monitoring System (BAMS).</p> <p>b) The system is in line with cash management strategy, Page 39.</p> <p>c) It was deployed in March 2019.</p>														
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) EKSG TSA is Access Bank, Account Number 0795210033.</p> <p>b) Not all government funds go through this account, only IGR goes through it.</p> <p>c) All government monies do not sit in the other revenue collecting banks, they are swept into the TSA.</p> <p>d) 2019 TSA Bank Statement was obtained</p>	Unsatisfactory													
5	Does the TSA cover a minimum of 60% 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 2019.</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>3,189,695,696.00</td> <td>3,186,655,255.09</td> </tr> <tr> <td>Government Finances*</td> <td>59,455,122,194.17</td> <td>76,895,080,269.23</td> </tr> <tr> <td>Percentage</td> <td>5.36%</td> <td>4.14%</td> </tr> </tbody> </table> <p>The average is percentage computation is:</p> $\frac{5.36\% + 4.14\%}{2} = 4.75\%$ <p>The TSA covered 4.75% of the State's finances.</p> <p>*Sources: 2019 Audited Financial Statement (Cashflow Statement) Pages 14-15. TSA Statement from (Access Bank for January to December 2019).</p>		Total Inflows	Total Outflows	TSA Bank Statement	3,189,695,696.00	3,186,655,255.09	Government Finances*	59,455,122,194.17	76,895,080,269.23	Percentage	5.36%	4.14%	Unsatisfactory	The State's TSA should cover a minimum of 70% of Government Finances for the 2020 APA and 80% thereafter.
	Total Inflows	Total Outflows														
TSA Bank Statement	3,189,695,696.00	3,186,655,255.09														
Government Finances*	59,455,122,194.17	76,895,080,269.23														
Percentage	5.36%	4.14%														
DLI 4: Strengthened Internally Generated Revenue (IGR)																

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
Collection				
DLR 4.1	State implementing a consolidated State revenue code covering all State IGR sources and stipulating that the State bureau of internal revenue is the sole agency responsible for State revenue collection and accounting. Code must be approved by the State legislature and published		Achieved	This is a 2020 APA result which has been assessed early as requested by the Programme
1	Does the State have up-to-date consolidated revenue code which includes all the State's IGR sources and all the local governments (falling under that State) IGR sources?	<p>a) Ekiti State Board of Internal Revenue Law, 2019 was published on 26th August 2020 and Ekiti State Board of Internal Revenue (1st Amendment) Law, 2020 was published on 1st September 2020.</p> <p>b) The Revenue code and rates are in same document with the Revenue law.</p> <p>c) The State revenue codes contains only one law.</p> <p>d) The Official Gazette of the Ekiti State Board of Internal Revenue Law, No. 13 of 2019 was published on 26th August 2020 and Official Gazette of Law No. 16 of 2020 - Ekiti State Board of Internal Revenue (1st Amendment) Law, 2020 was published on 1st September, 2020.</p> <p>e) The Consolidated Revenue Law (Amended) includes the IGR sources and all the local governments (falling under that State) IGR sources as seen in the First Schedule, Page A05 - A102.</p> <p>f) The Consolidated Revenue code includes the rate chargeable for each IGR source as seen on Page A05 - A102 of the First Schedule on the Official Gazette of the Ekiti State Board of Internal Revenue (Amendment) Law, 2020.</p> <p>Further review: Section 87 states that "Tax includes any duty, levy, fee, fines, rates, charges, impositions, or revenue accruable by the Government". First schedule taxes plus hotel occupancy and restaurant, consumption tax, Land Use charge, presumptive tax (though with a limited but clear schedule) and LGA sources and rates laid out clearly</p> <p>Weblinks:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	https://ekitistate.gov.ng/wp-content/uploads/2020/2019Gazette.pdf https://ekitistate.gov.ng/wpcontent/uploads/2020/2020Revenue.pdf		
<p>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?</p>	<p>a) The Official Gazette of Law No. 16 of 2020 - Ekiti State Board of Internal Revenue (1st Amendment) Law 2020 stipulates that the State Bureau of Internal Revenue (SBIR) is the sole agency responsible for State revenue in:</p> <p>Section 3 of the Principal Law is hereby deleted and substituted with another Section 11 (1) (b) ...”to control and administer the various taxes, non-tax revenues and laws specified in the First Schedule of this Law including those of the Local Government Areas provided that such power is delegated to the Service by the applicable Local Government under a written instrument.</p> <p>Section 4 of the Principal Law is hereby deleted and substituted with another Section 11 (1) (c)...collect, recover and pay to the designated account all taxes due to the State Government and all the Local Government Councils in the State under this or any other enactment through a centralized electronic payment platform.</p> <p>Section 7 of the Principal Law is hereby amended by inserting a new proviso as Section 32 (4)...”the Internal Revenue Service shall open a dedicated Account into which shall be paid monies for settling tax refunds, provided that the Service shall prepare an annual budget for tax refund to be funded by the State Government as may be approved by the State House of Assembly.</p> <p>Section34(2) ...SIRS may delegate collection to MDA by gazette</p>	Satisfactory	
<p>3 Is the collection of revenues is made into accounts(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues</p>	<p>a) The collection of revenues is made into accounts(s) nominated by the SBIR and has full oversight of the accounts. Copy of the Revalidation Letter obtained.</p> <p>b) The Ekiti State Internal Revenue Service is responsible for reporting and accounting for the revenues according to Section 3 on the Official Gazette of the Ekiti State Board of Internal Revenue (Amendment) Law, 2020.</p> <p>Section11(c)...collect, recover, and pay to the designated account any tax or levy to the State and Local Government Area through a centralised electronic payment platform.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations								
		Evidence: Revalidation Letter by Ekiti State Internal Revenue Service dated 22nd October was obtained.										
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	a. The Ekiti State Board of Internal Revenue (1st Amendment) Law, 2020 was approved and assented on 21st August 2020. b. The signed version/copy is available in the State official gazette No13, Ado Ekiti – 16 th October 2019, Vol.5 and published on the website.	Satisfactory									
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	a) We were able to download and keep a file copy of the law, code, and rates. b) We assessed and downloaded the documents on 31 st August 2020, 12.20pm (Original Law) and 16 th September 2020 5.14am (Amended Law) Weblinks: https://ekitistate.gov.ng/wpcontent/uploads/2020/2019Gazette.pdf https://ekitistate.gov.ng/wpcontent/uploads/2020/2020RevenueLaw .	Satisfactory									
DLR 4.2	Annual nominal IGR growth rate meets target		Not achieved									
1	Has the 2019-2018 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20%-39% Stretch Target: 40% or more	a. The basis of accounting adopted by the State for 2018 and 2019 Audited Financial Statements is Accrual Basis of Accounting, however the IGR is treated on Cash Accounting basis, and for which there were no receivables nor prepayments for 2019. b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below: <table border="1" data-bbox="646 1336 1493 1430"> <thead> <tr> <th></th> <th>NGN</th> <th></th> <th>% GROWTH</th> </tr> </thead> <tbody> <tr> <td>Item</td> <td>2018</td> <td>2019</td> <td></td> </tr> </tbody> </table>		NGN		% GROWTH	Item	2018	2019		Unsatisfactory	The State should increase its IGR to achieve a minimum of 20% nominal annual growth rate.
	NGN		% GROWTH									
Item	2018	2019										

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		1. Reported IGR in AFS (Before Adjustments)	11,949,154,857.67	15,374,717,873.70	28.67%		
		2. INVALID items to be deducted IF reported as part of IGR	57,704,169.57	1,405,479,143.27			
		Investment Income (e.g. dividends)	57,704,169.57	1,304,432,815.40			
		Interest Earned	-	101,046,327.87			
		3. "Adjusted IGR" for DLI 4.2 Calculation (B)					
		Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	11,891,450,688.10	13,969,238,730.91	17.47%		
		$\frac{2019 \text{ Adj IGR} - 2018 \text{ Adj IGR}}{2018 \text{ Adj.IGR}} \times 100$ $\frac{\text{₦}13,969,238,730.91 - \text{₦}11,891,450,688.10}{\text{₦}11,891,450,688.10} \times 100$ $= \underline{\underline{17.5\%}}$					
		The annual nominal growth is 17.5%.					
		Source: FY2019 Audited Financial Statement Page 14 Note 5A & 24.					
DLI 5: Biometric Registration and Bank Verification Number (BVN)							
Used to reduce Payroll Fraud							
DLR 5.1	Biometric capture of at least [75] percent of current civil servants and pensioners completed and linked to payroll, and identified					Achieved	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
ghost workers taken off the payroll			
1 Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 75% of the current civil servants and pensioners on the State payroll?	<p>The State commenced Biometrics data capture in 2011 and went live in 2012. Integrated Human Resources and Payroll management System (iHRMS) and Soft ID (Biometrics Validation Software) were deployed for the purpose of the biometrics.</p> <p>The State upgraded to Soft Suite Payroll Solution in 2019 for additional level of payroll security. The Biometrics continues for all recruitment into service.</p> <p>a) The biometric capture exercise was outsourced to Soft Alliance and Resource Ltd until 2015 when the Biometrics database was handed over to Office of Accountant-General (OAG). Also, the State engaged Soft Alliance in 2019 to deploy Soft Suite Payroll Solution.</p> <p>b) Total number of civil servants was 19,558.</p> <p>c) Total number of pensioners was 8,474.</p> <ul style="list-style-type: none"> • The total number of civil servants on Nominal Roll was 19, 558. • The total number of pensioners on Nominal Roll was 8,474. • The total number of civil servants on payroll was 19, 558, • The total number of pensioners on payroll was 7,350. <p>d) Civil servants' Biometrics data captured was: - 19,558. Pensioners' Biometrics data captured was- 7,350.</p> <p>e) Documents obtained and reviewed were:</p> <ol style="list-style-type: none"> 1. Screenshots of the Biometrics database. 2. Screenshots of staff and pensioners on the Biometrics database. 3. Progress Report on Ekiti State Biometric Payroll System. 4. Report on Number of Civil Servants and Pensioners whose Biometrics and BVN Numbers were linked to Ekiti State Biometrics Payroll System. 5. Report of Ekiti State Biometric System $\frac{\text{No of Biometric Data Captured}}{\text{Total No of Civil Servants + Pensioners}} \times 100$ $\frac{19,558+7,350}{19,558+8,474} \times 100 = \frac{26,908}{28,032} \times 100 = \underline{\underline{95.99\%}}$	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	The State captured 95.99% of the State' civil servants and pensioners biometrics data as at 31 December 2019.		
2 Has the State linked the biometrics data to the State payroll to identify ghost workers?	<p>a) The State started the linkage of the biometric data to the payroll for civil servants since 2012 with Integrated Human Resources and Payroll Management System (iHRMS) and Soft ID (Biometrics Validation Software). The State also engaged Soft Alliance to provide Soft Suite Payroll Solution in 2019 for additional level of payroll security.</p> <p>b) Due to long term use of biometrics, and biometrics database been linked to payroll as at 2012, the incidences of ghost workers were not in existence in 2019. This was confirmed through selection of 20 civil servants and 19 pensioners' unique IDs and they were queried on the Biometrics database and payroll. Also, 7 civil servants were also selected randomly, and their fingerprints were used to check their biometrics data and link to payroll. They were all confirmed as staff and pensioners. The Biometrics Solution also has automatic migration module for civil servants who have reached retirement age either through date of birth or first date of employment.</p> <p>c) No ghost workers were detected in 2019.</p> <p>d) The State did not record any savings in 2019 since ghost workers and pensioners were not detected.</p> <p>e) There were changes in the civil servants and pensioner payrolls during the fiscal year. The changes showed recruitments, retirements, and deaths. Report on Number of Civil Servants and Pensioners whose Biometrics and BVN Numbers were linked to Ekiti State Biometrics Payroll System was obtained.</p> <p>f) There were procedures in place to update and confirm number of civil servants as well as pensioners. The Accounting Officers were required to update Office of the Accountant-General monthly on the number of civil servants in their MDAs by sending Certificate of Assurance of Payment monthly, confirming the number of civil servants for payment. Copies of certificates were obtained. In addition, the Payroll Solution automatically migrates civil servants to pension payroll upon attaining the retirement age in the Biometrics</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>database. The State also carried out revalidation programme for pensioners.</p> <p>Payroll audit of civil servants was conducted by the State Auditor-General in 2019. The total figure as at December, 2019 was 19,588, same as Biometrics database.</p> <p>Sources:</p> <ul style="list-style-type: none"> i. Samples of Certificate of Assurance of Payment from MDAs ii. State Auditor-General's Payroll Audit report iii. Analysis of Salaries and Pension for Jan-Dec 2019 		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<ul style="list-style-type: none"> a) No ghost workers were detected during 2019. The State already used Biometrics and BVN data to eliminate ghost workers as at 2019. b) No records of identified ghost workers in 2019. c) There were no removals in 2019 hence no payroll figure in 2019, same as the pensioners. d) Report on Number of Civil Servants and Pensioners whose Biometrics and BVN Numbers were linked to Ekiti State Biometrics Payroll System. 	Satisfactory	
5.2	Link BVN data to at least [75] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		Achieved	
1	Has the State linked the Bank Verification Number data to 75% of its current Civil Servants and pensioners on the State payroll?	<p>BVN mapping to biometrics started and was completed in July 2019, through Nigeria Interbank Settlement System (NIBSS). List of accounts of employees and pensioners were sent to NIBSS for BVN confirmation. This was done by Soft Alliance and Resource Ltd. Also, the Team conducted random selection of Biometrics IDs of 20 civil servants and 19 pensioners and queried the payroll for their BVN links. December 2019 payrolls of civil servants and pensioners were reviewed. The record showed BVN records were linked to payroll.</p> <ul style="list-style-type: none"> a) The exercise was outsourced to Soft Alliance and Resource Ltd b) Total number of civil servants was 19,558. c) Total number of pensioners was 8,474. <ul style="list-style-type: none"> • The total number of civil servants on Nominal Roll was 19, 558. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<ul style="list-style-type: none"> • The total number of pensioners on Nominal Roll was 8,474. <p>d) The total number of civil servants and pensioners whose BVNs have been linked to payroll as of December 2019 were:</p> <ul style="list-style-type: none"> • Civil servants - 16,943 out of 19,558 • Pensioners - 6,973 out of 8,474. <p>e) We obtained for IVA conclusion the following documents</p> <ol style="list-style-type: none"> 1. Report on Number of Civil Servants and Pensioners whose Biometrics and BVN Numbers were linked to Ekiti State Biometrics Payroll System. 2. Report of Ekiti State Biometric System 3. Screenshots of staff and pensioners on the Biometrics database showing BVN data 4. Screenshot of December 2019 Payroll showing BVN links. 5. Letter of Authority to Release Ekiti State Government Employees BVN to Soft Alliance (NIBSS). <p style="text-align: center;"> <u>No of BVN Data Linked</u> x 100 Total No of Civil Servants + Pensioners </p> $\frac{16,943+6,973}{19,558+8,474} \times 100 = \frac{23,916}{28,032} \times 100 = \underline{\underline{85.32\%}}$ <p>The State linked 85.32 % of the State' civil servants and pensioners BVN data to the payroll as at 31 December, 2019</p>		
2	<p>Has the State taken steps to identify payroll fraud?</p> <p>a) Total number of civil servants with BVN data was 16,943 and those without BVN data was 2,615 Total number of pensioners with BVN data was 6,973 and those without BVN data was 1,501</p> <p>b) Only those with accounts in microfinance banks could not be mapped. Their BVNs were not linked to payroll. Their salaries are paid in bulk to commercial bank serving as depository to Microfinance Banks (MFB), instead of being paid through individual BVN. The State's Biometrics Payroll System has capability to detect payroll fraud. The biometrics process has helped the elimination of payroll fraud.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>The steps include:</p> <ul style="list-style-type: none"> i. Physical presence of staff during biometrics capture with appointment letter and the instruction to capture is signed by the Accounting Officer of the MDAs ii. The State migrated to Soft Suite Payroll Solution from iHRMS for added payroll integrity in 2019. iii. BVN mapping to payroll through direct request to NIBSS for BVN data of civil servants and pensioners done in 2019. iv. Payroll Audit was conducted by the State Auditor-General.. v. Auto-retirement module on the Biometrics Payroll System also ensures workers do not receive salary beyond retirement date. <p>c) No payroll fraud was identified in 2019</p> <p>Sources:</p> <ul style="list-style-type: none"> 1.Report on Number of Civil Servants and Pensioners whose Biometrics and BVN Numbers were linked to Ekiti State Biometrics Payroll System. 2.Report of Ekiti State Biometric System 3.Screenshots of staff and pensioners on the Biometrics database showing BVN data 4.Screenshot of December 2019 Payroll showing BVN links 5.Letter of Authority to Release Ekiti State Government Employees BVN to Soft Alliance (NIBSS). 		
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all		Achieved	This is a 2020 APA result which has been assessed early as requested by the Programme

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations										
	MDAs receiving funds from the State budget													
1	Does the State have a public procurement legal framework which must be approved by the State legislature to have a legal basis, either as a law or a resolution?	<p>a) Ekiti State public procurement (re-enactment) Law, 2020. Assented to by the Governor on 20th April 2020 was provided</p> <p>b) The Legal framework was passed into Law by the State House of Assembly on 7th April 2020</p> <p>c) The public procurement law has been passed see (b) above</p> <p>d) The agency is called “Ekiti State Bureau of Public Procurement”</p> <p>e) The Ekiti State public procurement (re-enactment) law, 2020. was passed into law by the State house of assembly on Tuesday 7th April 2020 and assented to by the Governor on 20th April 2020.</p> <p>f) The law was published online on the 2nd August 2020</p> <p>Weblink: https://bpp.ekitistate.gov.ng/2020/08/02/ekiti-state-bureau-of-public-procurement-re-enactment-law</p>	Satisfactory											
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency; and 3) cover all MDAs receiving funds from the State budget.	<p>The Ekiti State Public Procurement Law is structured in line with the UNCITRAL Model and meets the requirements as shown below:</p> <p>1. On e-procurement: Section 2(6) grants the Council powers to approve changes in procurement process to adapt to improvements in modern technology and approve regulations for their implementation. Section 5(20) grants the Bureau power to introduce, develop, update and maintain related database and technology.</p> <p>2. Establishment of an independent procurement regulatory agency:</p> <table border="1"> <thead> <tr> <th>Required Provisions*</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>The functions and Powers of the Agency</td> <td>Complies; see section 5 and 6 of the Law.</td> </tr> <tr> <td>The composition of the Council.</td> <td>Compliant; see section 1</td> </tr> <tr> <td>Membership of the Board/Council include representatives from professional bodies and associations</td> <td>Compliant; see section1 (2g) provides for seven members representing professional bodies and civil society organizations</td> </tr> <tr> <td>The grounds for removal of the Chief Executive of the Agency.</td> <td>Compliant; See Section 7(4). The Council may after a hearing recommend to the Governor removal of a Director General</td> </tr> </tbody> </table>	Required Provisions*	Result	The functions and Powers of the Agency	Complies; see section 5 and 6 of the Law.	The composition of the Council.	Compliant; see section 1	Membership of the Board/Council include representatives from professional bodies and associations	Compliant; see section1 (2g) provides for seven members representing professional bodies and civil society organizations	The grounds for removal of the Chief Executive of the Agency.	Compliant; See Section 7(4). The Council may after a hearing recommend to the Governor removal of a Director General	Satisfactory	
Required Provisions*	Result													
The functions and Powers of the Agency	Complies; see section 5 and 6 of the Law.													
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Membership of the Board/Council include representatives from professional bodies and associations	Compliant; see section1 (2g) provides for seven members representing professional bodies and civil society organizations													
The grounds for removal of the Chief Executive of the Agency.	Compliant; See Section 7(4). The Council may after a hearing recommend to the Governor removal of a Director General													

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations
			<p>on grounds of gross misconduct, financial impropriety, fraud , and manifest incompetence, repeated breaches of ethics , abdication of duty etc subject to approval of the State House of Assembly.</p> <p>Regarding the decisions of the agency. Any other review after the Boards decision should be by Judicial review.</p>		
		<p>3. Cover all MDAs receiving funds from the State budget Section 15 (1) states the provision of this law applies to all procurement of goods, works and services carried out by all arms of the State government, ministries, departments, agencies, extra-ministerial departments or institutions and Local Government councils.</p>			
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency or any other type of entity set up for the statutory purpose?	<p>a) There is an established agency known as the" Bureau of public procurement".</p> <p>b) There is an established State council on public procurement. referred to as 'the Council'.</p> <p>c) The Bureau shall formulate and periodically update the general policies, regulations, standard bidding documents and codes of ethics relating to public sector procurement for the approval of the council. (Section 5) of the Ekiti state public procurement (re-enactment) Law 2020.</p> <p>d) i) We had an interview with Director- General on the overall functions and running of the Bureau. ii) A physical inspection of the bureau was conducted, and pictures were retained, the bureau is functional and active, the volume of transactions handled in 2019 were much. iii) we sampled few of the staff of the bureau, questions were asked on the conduct of the agency on procurement processes and they confirmed the agency has being more effective currently than the previous years and more powers have being giving to the agency to carry out their task.</p>		Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		e) The IVA reviewed 5 procurement (contracts) documents/files for 2019, we did a walkthrough on their record procedures on those contracts, we were able to ascertain the effectiveness of the agency		
DLR 6.2	Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on [the State website/on the online portal]		Not achieved	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2019) that are above the threshold (as defined in the State procurement law or in the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS).	<p>a) A schedule of all contracts awarded during the year 2019 were obtained from the State, the State had no threshold (Procurement Manual section 65), every contract regardless of the amount was published.</p> <p>b) The contracts awarded in 2019 were published online on 1st December 2019.</p> <p>Weblink: https://bpp.ekitistate.gov.ng/downloadable/list-of-contracts-awarded-in-2019/</p> <p>The IVA reviewed the weblink provided and downloaded a copy of the published contracts from the site. The State published contracts for different MDAs however the data published is NOT in line with the Open Contracting Data Standards (OCDS) template. It does not contain the following:</p> <ul style="list-style-type: none"> i. Address of the Contractor ii Contractor Phone Number and Email Address iii. Award Criteria iv. Contract Period/Duration v. Award Date vi. Commencement Date vii. Description of Award viii. Award Status 	Unsatisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Therefore, the publication was not compliant with the stated 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.		Achieved	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?	<p>The State has State-level debt legislations and copies were provided:</p> <ul style="list-style-type: none"> • Ekiti State Fiscal Responsibility (First Amendment) Law No. 15 of 2020 assented to on 27th July 2020. • Ekiti State Debt Management Office Law, No. 14 of 2020, assented to on 27th July 2020. • Ekiti State Public Finance Management Law, No. 11 of 2020 assented to on 27th July 2020 (only hard copy was provided). <p>The amended Fiscal Responsibility Law and Debt Management Office Law were uploaded to the State's official website.</p> <p>Weblinks: https://ekitistate.gov.ng/wpcontent/uploads/2020/FRC%20Law%202020.pdf https://ekitistate.gov.ng/wpcontent/uploads/2020/dmo%20law%202020.pdf</p>	Satisfactory	
2	Does the legislation include provisions which establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.	<p>The legislation includes all the required provisions.</p> <p>(i) establishing responsibilities for contracting state debt. Section 2(a-b) of Ekiti State Debt Management Office Law, 2020 states that the Office shall: " issue, on behalf of the State, such debt securities as the State may approve from time to time.; (b) borrow, on behalf of the State Government, from any individual or institutional bodies as may be approved by the State." Also, Section 2(o), 22(1ai, iii), and (c) confer responsibilities for contracting State debts on the State Debt Management Office.</p>	Satisfactory	This is a 2020 APA result which has been assessed early as requested by the Programme

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Section 35(4) of Ekiti State Fiscal Responsibility Law. 2019(as amended) requires Debt Management Dept. to: "maintain a comprehensive, reliable and current electronic database of internal and external debt sources."</p> <p><u>(ii) establishing responsibilities for recording and reporting state debt.</u> S.2(c-d) of Ekiti State Debt Management Office Law, 2020 states that the Office shall: "maintain a reliable database of all debt securities, loans, taken or guaranteed by the Government or any of its agencies and all contingent liabilities related to it; (d) prepare and submit to the Government, a forecast of loan service obligations for each financial year." Also, subsections 2(l, m, n,q) and Section 22(1a(ii),(b) and (d) of Ekiti State DMO Law, 2020 confer responsibilities for recording State's debts on State DMO.</p> <p>S.35(4) of Ekiti State Fiscal Responsibility Law. 2019(as amended) requires Debt Management Dept to: "maintain a comprehensive, reliable and current electronic database of internal and external debt sources."</p> <p><u>(iii) establishing fiscal and debt rules and limits.</u> S.2(h) of Ekiti State DMO Law, No. 14 of 2020 states, "set guidelines for managing Government financial risks and financial exposure with respect to all loans and instruments". S.2(e) and (k) further explain the responsibilities.</p> <p>Also, S. 22(1e-f) of Ekiti State DMO Law, 2020 states that, "review and advise on the maintenance of statutory limits of all categories of loans or debt instruments at levels compatible with economic activities required for sustainable growth and development in collaboration with Accountant-General's Office of the State; (f) ensure that the level of public debt or internal debt as a proportion of the State income is held at sustainable level as prescribed by the House of Assembly from time to time."</p>		
4	<p>Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	operational during the APA year and performing the core function of recording and reporting state debt.	<p>but was created by Law as a Debt Management Office through the passage and executive assent on 27th July 2020.</p> <p>b) The IVA visited the Office for physical inspection. The Office has 5 staff with a Head of Department (HoD). We interviewed the Head of Department who has been in office for 4 years. Pictures were taken during the physical visit and correspondences on State debts between the Office and other agencies of government on debts were sighted.</p> <p>c) The Office prepared and submitted SDDR for 2019.</p> <p>d) Internal Arrears Database was obtained and reviewed.</p>		
DLR 7.2	Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarters in 2019		Achieved	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2019?	<p>During the review, we obtained the quarterly SDDR and discovered that the SDDR were submitted, acknowledged and approved by the DMO as follows:</p> <p>SDDR submissions:</p> <ul style="list-style-type: none"> • Q1 submitted on (28th April 2019) 4 weeks • Q2 submitted on (14th August 2019), 6 weeks, 3days. • Q3 submitted on (12th November 2019), 6 weeks, 1day. • Q4 submitted on (24th January 2020), 3 weeks, 3days <p>$\frac{4+6.2+6.2+3.2}{4} = \frac{20}{4} = 5 \text{ weeks (1.25 months)}$.</p> <p>SDDRs were submitted within an average of 1.25 months.</p>	Satisfactory	
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO:</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</p>	<p>We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Ekiti State Debt Domestic Report and both showed the same amount of ₦115,560,637,890. The report was supported with the DMO's templates and guidelines.</p> <p>We reviewed the DMO report and the DMO report confirmed the accuracy and completeness of the State Domestic Debt Report.</p>	n/a	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	standard internal protocols and data from CBN, DMO and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.	A 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.		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	<p>Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.</p> <p>AND</p> <p>Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.</p> <p>-Basic target: At least a 5% decline or maintain stock below N5 billion</p> <p>-Stretch target: More than 20% decline</p>		<p>Achieved</p> <p>Basic Target Met</p>	
1	Has the State established an Arrears Clearance Framework (ACF)?	<p>The state submitted to the IVA an annual state arrears recording, verification, and clearance report (SARVCR) for 2018.</p> <p>a) The State claimed to have established an Arrears Clearance Framework (ACF) for 2019 but submitted one for 2018, signed in November 2019.</p> <p>b) Copy of the ACF was obtained from the State.</p> <p>c) The ACF was signed by Hon. Commissioner for Finance and Economic Development on 7th November 2019.</p> <p>d) Further evidence, post draft report, articulated that the ACF signed in November 2019 was in use all through the year 2019.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<p>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</p> <p>b) The Team reviewed the ACF, and extracted the following:</p> <ul style="list-style-type: none"> • Section 2 (page 5) of the ACF contains the planned actions to settle arrears. • Section 3 (page 6) of the ACF contains an explicit prioritization of expenditure arrears to be settled <p>c) Page 3 of the State Arrears Recording, Verification and Clearance Report (SARVCR) made reference to the ACF.</p>	Satisfactory	
3	Has the ACF been published on a State official website?	<p>a) The ACF was published on the State's official website on 29 November 2019.</p> <p>b) A copy of the ACF was downloaded for validation. Screenshot was obtained.</p> <p>Weblink: https://ekitistate.gov.ng/wp-content/uploads/2019/07/Framework.pdf</p>	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	<p>a) The State did not provide records to show that the arrears were cleared in accordance with the ACF in 2019. The State Arrears Recording, Verification and Clearance Report (SARVCR) for 2018 was provided. It contains no specific information on arrears clearance in 2019, or the priority followed for arrears clearance in line with the ACF. Hence, consistency with ACF could not be established.</p> <p>b) <u>Post draft Report</u> - The State was able to present credible evidence that the clearance of domestic expenditure arrears is consistent with the ACF which was signed and used in the year 2019. <i>See test 7 below for more detail.</i></p> <p>Weblink https://ekitistate.gov.ng/wp-content/uploads/2019/07/sarvcr.pdf</p>	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State established an Internal Domestic Arrears Database. The database was obtained from Debt Management Office and was reviewed by the IVA.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																		
		<p>b) The State Internal Domestic Arrears Database included verified debts of the State as shown in the table below:</p> <p>Internal Domestic Expenditure Arrears Database</p> <table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2019 ₦</th> <th>2018 ₦</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>2,797,393,471.50</td> <td>4,069,919,464.12</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>14,592,690,133.05</td> <td>24,786,949,522.40</td> </tr> <tr> <td>Salary Arrears and Staff claims</td> <td>4,977,800,451.40</td> <td>4,977,800,451.40</td> </tr> <tr> <td>Judgement Debts</td> <td>1,079,768,735.28</td> <td>914,853,745.58</td> </tr> <tr> <td>Total Domestic Arrears</td> <td>23,447,652,791.23</td> <td>34,749,523,183.50</td> </tr> </tbody> </table> <p>c) The state established a 9-member Debt Management Committee to oversee the verification of arrears. The Committee is headed by the Hon. Commissioner for Finance.</p> <p>d) The conduct of arrears verification is detailed in the SARVCR for 2018, which is not the year under assessment.</p>	Aggregate Amount of:	2019 ₦	2018 ₦	Contractors Arrears	2,797,393,471.50	4,069,919,464.12	Pension and Gratuity arrears	14,592,690,133.05	24,786,949,522.40	Salary Arrears and Staff claims	4,977,800,451.40	4,977,800,451.40	Judgement Debts	1,079,768,735.28	914,853,745.58	Total Domestic Arrears	23,447,652,791.23	34,749,523,183.50		
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6	Has the State published online elements of the internal domestic arrears database for the FY 2018 and FY 2019 reported on a State official website, which constitutes the online publicly accessible arrears database?	<p>a) Ekiti State published contractors' arrears details for 2018 and 2019 and published SDDR reports of 2018 and 2019 containing aggregates of other internal domestic arrears. According to the State DMO, the online publication holds the verified list of contractors, the arrears, aggregates of pensions and gratuities, salary arrears and judgement debts for 2018 and 2019.</p> <p>b) The online publicly accessible domestic expenditure arrears database contains an electronic link. The link enables individual contractors listed in the database to request a restricted disclosure of the information to fill a confidential form online and can also attach evidence of their claim(s).</p> <p>c) The online webpage includes a facility for contractor with arrears (creditors) to report any omissions to the State as stated in c) above. This was verified by the Team.</p> <p>d) A dummy request was sent through the link. The link generated a ticket no: 933314 and an email was sent to the Verification Agent stating that Support Team will work on the request. There was</p>	Satisfactory																			

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations																	
		<p>feedback from the State ICT department same day. Screenshots of email correspondences were taken.</p> <p>e) There was no record of report from contractors in 2019.</p> <p>Weblinks/Evidence:</p> <p>1. https://help.myekiti.com/</p> <p>2. https://ekitistate.gov.ng/wpcontent/uploads/2020/2019Contractors%20details</p> <p>3. https://ekitistate.gov.ng/wp-content/uploads/2020/debtq1234.pdf.</p> <p>4. Screenshot of Ekiti State Online Arrears Database Test</p>																					
7.	<p>Does the online publication include?</p> <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 N20million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	<p>a) The online publication included the required elements as shown above.</p> <p>b) The elements listed the names of the contractors with recognized arrears below and above 20 million.</p> <p>c) The list contained the names of contractors, contract details, contract award dates for 2019 contractors' arrears, Executing Ministries, Total Sums, Cumulative and Outstanding amount.</p>			Satisfactory																		
	<p>Has the State met the following?</p> <p>(ii) Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.</p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2019 ₦</th> <th>2018 ₦</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>2,797,393,471.50</td> <td>4,069,919,464.12</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>14,592,690,133.05</td> <td>24,786,949,522.40</td> </tr> <tr> <td>Salary Arrears and Staff claims</td> <td>4,977,800,451.40</td> <td>4,977,800,451.40</td> </tr> <tr> <td>Judgement Debts</td> <td>1,079,768,735.28</td> <td>914,853,745.58</td> </tr> <tr> <td>Total Domestic Arrears</td> <td>23,447,652,791.23</td> <td>34,749,523,183.50</td> </tr> </tbody> </table>	Aggregate Amount of:	2019 ₦	2018 ₦	Contractors Arrears	2,797,393,471.50	4,069,919,464.12	Pension and Gratuity arrears	14,592,690,133.05	24,786,949,522.40	Salary Arrears and Staff claims	4,977,800,451.40	4,977,800,451.40	Judgement Debts	1,079,768,735.28	914,853,745.58	Total Domestic Arrears	23,447,652,791.23	34,749,523,183.50		Satisfactory	The State should update the SARVCR and the database to show the true position of the state debts as at the beginning of the CY2019 (post
Aggregate Amount of:	2019 ₦	2018 ₦																					
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>-Basic target: At least a 5% year-on-year decline or maintain stock or arrears below N5billion.</p> <p>-Stretch target: More than 20% year-on-year decline.</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 year, compared to the previous year, expressed in percentage terms.</i></p>	<p>1. The IVA found that using the internal domestic expenditure arrears database to calculate the percentage decline would not show the accurate level of decline. This is because; the decline in 2019 arrears compared to 2018 arrears was not because of clearance through payments, but was done mainly through amendments to remove errors in the arrears database identified through the verification of balances of debts.</p> <p>Also, we noted at this stage that there was there was no specific amount set aside to clear arrears in 2019 in the SARVCR that was provided.</p> <p>Furthermore, the priority followed in the arrears clearance table in SARVCR (page 3), showing State Domestic Arrears Stock Reporting was not consistent with Section 3 (pages 8 & 9) of the ACF.</p> $\frac{2019 \text{ Figure} - 2018 \text{ Figure}}{2019 \text{ Figure}} \times 100$ $\frac{\text{₦}34,749,523,183.50 - \text{₦}23,447,652,791.23}{\text{₦}34,749,523,183.50} \times 100 = 32.52\%$ <p>The percentage decline initially calculated was 32.52%.</p> <p>2. Sequel to the response of the State to the draft report (see section 4 below) and our further request for more information and supporting evidences, the State was able to present credible evidences to depict that the arrears were actually reduced through payments to various contractors and others.</p> <p>We obtained copies of payment vouchers as well as the bank statement to verify that the contractors were actually paid. However, as we noted earlier, that the State did not update the SARCVR after the verification exercise (and pension and gratuity clean up) to show the correct and adjusted balances that arose from the exercise.</p>		<p>verification and clean up exercise) and at the end of the year December 2019.</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
		<p>We however recommend that the State update the SARVCR and the database to show the true position of the state debts as at the beginning of the CY2019 and at the close of the year December 2019.</p> <p>Taking into consideration all evidence presented to the IVA post draft report stage, we then recomputed the percentage decline as follows:</p> <table border="1"> <tr> <td>(A) SAVCR Balance as at 31 December 2018</td> <td>N34,749,523,183.50</td> </tr> <tr> <td>(B) Error adjusted by the State (i.e. amounts removed due to verification checks)</td> <td>N11,301,870,392.27</td> </tr> <tr> <td>Adjusted Arrears balance (A - B)</td> <td>N25,384,743,390.28</td> </tr> <tr> <td>Amount of arrears settled in year</td> <td>N1,937,090,599.05</td> </tr> <tr> <td>SAVCR Balance as at 31 December 2019</td> <td>N23,447,652,791.23</td> </tr> <tr> <td>Percentage reduction</td> <td>7.63%</td> </tr> </table> $\frac{\text{N}25,384,743,390.28 - \text{N}23,447,652,791.23}{\text{N}25,384,743,390.28} \times 100$ $= \underline{\underline{7.63\%}}$ <p>The percentage decline is 7.63%.</p> <p>Source: State internal domestic expenditure arrears database Pension and Gratuity 2019 Payment Schedule Payment details on Contractors Arrears for 2019.</p>	(A) SAVCR Balance as at 31 December 2018	N34,749,523,183.50	(B) Error adjusted by the State (i.e. amounts removed due to verification checks)	N11,301,870,392.27	Adjusted Arrears balance (A - B)	N25,384,743,390.28	Amount of arrears settled in year	N1,937,090,599.05	SAVCR Balance as at 31 December 2019	N23,447,652,791.23	Percentage reduction	7.63%		
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DLI 9: Improved Debt Sustainability																
DLR 9.0	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2019]		Not Achieved													

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																						
<p>AND Total debt stock at end Dec [2019] as a share of total revenue for FY [2019] meets target: -Basic target: < [140%] -Stretch target: < [115%]</p>																									
<p>Has the State met: (i) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1st January to 31st December 2019) to the gross FAAC allocation for the same calendar year? Less than :< [40%]</p>	<p>The IVA computed the percentage of total monthly service deductions/Gross FAAC Allocation for this year APA.</p> <p>Total Service Deduction ₦8,390,552,377 x 100 Gross FAAC Percentage ₦49,776,867,862 = 16.9%</p> <p>Source: FMoF (FAAC)</p>	Satisfactory																							
<p>Has the State met: (ii) the ratio of total debt stock at end-of-year (31st December 2019) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2019)? -Basic target:< [140%] -Stretch target: < [115%]</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p>Total Public Debt</p> <table border="1" data-bbox="716 886 1430 1060"> <thead> <tr> <th></th> <th>Financial Statements ₦</th> <th>DMO Figures (Adj) ₦</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>78,717,893,659.31</td> <td>84,051,858,827</td> </tr> <tr> <td>Total External Debts</td> <td>31,508,779,063.32</td> <td>31,508,779,063</td> </tr> <tr> <td>Total Public Debts</td> <td>110,226,672,722.63</td> <td>115,560,637,890</td> </tr> </tbody> </table> <p>Total annual revenue ₦</p> <table border="1" data-bbox="716 1133 1430 1317"> <tbody> <tr> <td>2019 Adjusted IGR (see DLI 4.2)</td> <td>13,969,238,730.91</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>49,408,975,061.36</td> </tr> <tr> <td>Grants</td> <td>16,011,005,128.12</td> </tr> <tr> <td>Other Revenues</td> <td>1,405,479,143.27</td> </tr> <tr> <td>Total Revenue**</td> <td>80,794,698,063.66</td> </tr> </tbody> </table> <p>The State's domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2019 is as at the end of Q4 2019</p>		Financial Statements ₦	DMO Figures (Adj) ₦	Total Domestic Debts	78,717,893,659.31	84,051,858,827	Total External Debts	31,508,779,063.32	31,508,779,063	Total Public Debts	110,226,672,722.63	115,560,637,890	2019 Adjusted IGR (see DLI 4.2)	13,969,238,730.91	Gross FAAC Allocation	49,408,975,061.36	Grants	16,011,005,128.12	Other Revenues	1,405,479,143.27	Total Revenue**	80,794,698,063.66	Unsatisfactory	The State should ensure a reduction in its Debt Stock to Revenue ratio to a level that will enable the achievement of this result.
	Financial Statements ₦	DMO Figures (Adj) ₦																							
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>We have computed the total debts stock / Revenue percentage for the 2019 year, as follows:</p> $\frac{\text{Total Public Debts}}{\text{Total Revenue}} \times 100$ $\frac{\text{₦115,560,637,890}^*}{\text{₦80,794,698,063.66}} \times 100$ $= \underline{\underline{143\%}}$ <p>Sources: 2019 Audited Financial Statement, Pages 20, 21, 22 & 36 and Total Public Debt from DMO* as at December 31,2019 *Table 3 below holds a breakdown of the Total Debt. **Table 3(ii) holds the breakdown of Revenue</p> <p>a) The Total State Debt Stock is ₦115,560,637,830. This includes: i. Total Domestic Debt (₦84,051,858,827) and ii. Total External Debt (₦31,508,779,063).</p> <p>b) The Total Adjusted State Revenue is ₦80,794,698,063.66. This includes: i. Total Gross FAAC allocation: Statutory Transfers and VAT (₦49,408,975,061.36) ii. Total Adjusted IGR as calculated for DLI 4.2 (₦13,969,238,730.91) iii. Grants: Internal and External Grants - (Nil) iv. Other Revenues: Investment Income and Interest Earned (₦1,405,479,143.27)</p> <p>c) The Ekiti State ratio of total debt stock at the end of year (31st December 2019) is 150.33% which is more than 140%, therefore, the State did not meet the basis target.</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
		<p>d) The debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) is not the same with the debt stock stated in the audited financial statement.</p> <p>e) IVA observed differences between the debt stock stated in the Financial Statement and the SDEDR provided by the Federal DMO.</p> <p>f) The difference has been communicated to the State for explanation.</p> <p>g) The difference has been calculated in value to be ₦5,333,965,167.37 and percentage terms 4.6%.</p>		

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

EKITI STATE	AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,003,680,247
BAIL OUT (SALARIES) (SOURCE CBN)	8,728,115,842
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	17,796,388,390
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,117,333,802
STATE BONDS	1,180,148,518
COMMERCIAL BANK LOANS	1,287,788,065
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOAN (CBN FACILITY)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	1,490,751,171
JUDGEMENT DEBTS	1,079,768,735
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	2,797,393,471
PENSION AND GRATUITY ARREARS	14,592,690,133
SALARY ARREARS AND OTHER CLAIMS	4,977,800,451
OTHER DEBTS	-
TOTAL DOMESTIC DEBT (TDD)	84,051,858,827
TOTAL EXTERNAL DEBT (TED)	31,508,779,063
TOTAL PUBLIC DEBT (TED+TDD)	115,560,637,890

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

TEMPLATE: OPTION A	NGN
Item	2019
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	49,408,975,061.36
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	38,364,773,150.33
1.1.1 Gross statutory allocation	36,817,362,983.09
1.1.2 Derivation	-
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	1,547,410,167.24
1.2 VAT	11,044,201,911.03
2. Internally Generated Revenues (IGR) - Adjusted	13,969,238,730.91
3. Grants (internal and external)	16,011,005,128.12
4A. Other revenues (4.1 + 4.2 + 4.3)	1,405,479,143.27
4.1 Investment Income (e.g. dividends)	1,304,432,815.40
4.2 Interest Earned	101,046,327.87
4.3 Miscellaneous	
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	80,794,698,063.66

4. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p>DLR 6.2</p> <p>Kindly note that Ekiti State had published contracts for different MDAs in line with the Open Contracting Data Standards (OCDS) template with all the required information and elements online on the State’s portal. However, the State was in the process of migrating from the existing portal to a new one when the IVA reviewed the weblink. This might explain for the noted absence of the information since the information were distorted owing to the migration. The migration had since been completed and the information can be found on this weblink “https://bpp.ekitistate.gov.ng/ocdsportal”</p>	<p>The contract award information published did not contain certain information as at the time of verification. This has been rectified by the State, unfortunately, the publication is time bound (i.e. should have been done before 31 December 2019) and thus considered “unsatisfactory”</p>
2	<p>DLR 8</p> <p>Kindly note that the reduction in the State’s Domestic Expenditure Arrears was due to the verification exercise on the contractors’ arrears, pension and gratuity. However, the State also made payment to clear its domestic expenditure arrears to the tune of N1,937,090,599.05 which amount to a decline of 5.57%</p> <p>The more information and evidence of the payment are attached for your consideration.</p>	<p>We have taken into consideration all evidence received and have been evaluated and verified. We further recomputed the percentage decline having re-instated the opening balance of the arrears figures post verification and clean up exercise by the State. This has now been marked as Achieved with a reduction of 7.63%.</p>

Appendix A

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

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

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

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

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

Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
https://ekitistate.gov.ng/wp-content/uploads/2019/07/2020AppropriationLaw.pdf	A search was done on the Ekiti State website	The 2020 Budget was published on the State Official website and a copy was downloaded. There was evidence of the 2020 Budget being signed by the Governor.	N/A	EC met

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

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

Source(s)	Initial Work Done	Initial Comments / Observation	Follow up	Final Assessment
https://ekitistate.gov.ng/financebudget/ https://ekitistate.gov.ng/wp-content/uploads/2019/07/AUDITOR%20GENERAL'S%20REPORT%202018.pdf	A search was done on the Ekiti State Website and their Audited Financial Statements were downloaded.	The Audited Financial Statements were easily accessed and downloaded.	N/A	EC met

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