



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

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

## **IMO STATE**

**By:**

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



**JUNE 2022**

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## 1. Executive Summary

This report details the outcome of the Annual Performance Assessment (APA) conducted on Imo 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 Imo State and shows areas where the State was able to achieve results. In total, Imo State achieved 10 (Ten) DLRs out of 15 (Fifteen) DLRs applicable to the 2020 APA.

**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 were 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%		The budget deviation was 18.7%
<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 covers 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		This is a 2021 APA result assessed early. All requirements were met.
	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 34%
<b>DLI 5:</b> Biometric registration and Bank	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
Verification Number (BVN) used to reduce payroll fraud	linked to payroll, and identified ghost workers taken off the payroll		
	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		
<b>DLI 6:</b> 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		
	<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>		<ul style="list-style-type: none"> <li>• There was no framework contract for e-procurement signed by 31 December 2020.</li> <li>• Published Contract award information was not in the OCDS format.</li> </ul>
<b>DLI 7:</b> 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 2021 APA result assessed early. All requirements were met
	<p>DLR 7.2: Quarterly state debt reports for Q2, Q3, and Q4 were received 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>		
<b>DLI 8:</b> Improved clearance/reduction of the stock of domestic expenditure arrears	<p>DLR 8: Domestic arrears as of the end 2019 AND end 2020 were 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</p>	Stretch Target Met	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	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.		
<b>DLI 9:</b> 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 $\geq 150\%$ 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 1.2: Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
2. DLR 3.0: Develop a functional State-level TSA where all Government revenues (IGRs ad FAAC) are credited into before expenditure. Also, increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.
3. DLR 4.2: Improve its IGR collection to achieve significant year-on-year growth in nominal IGR.
4. DLR 6.2: e-Procurement should be implemented as soon as possible. Contract award information, above the set threshold, should be published online every month in OCDS format on the State's website. Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs.
5. 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 engaged the services of experts in Procurement, to review the legislation and the Debt Management Office (DMO) for Debt Management-related DLRs in this State.

### 2.2 Scope

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

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

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between 14/02/2022 and 18/02/2022 with a team of six (6) persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

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

The Office of the Auditor-General for the Federation (OAuGF) and PricewaterhouseCoopers (PwC) are grateful to the State for the cooperation enjoyed during the assessment and hope the recommendations within this Report are found valuable towards improving fiscal transparency, accountability, and sustainability in the management of the public finances and resources of the State.

### 3. Assessment Results

#### 3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<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></p> <p><a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_24">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_24</a></p> <p><a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_2">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_2,</a></p> <p><b>Q2</b></p> <p><a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_25">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_25</a></p> <p><a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_20">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_20,</a></p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p><b>Q3</b></p> <p><a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_26">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_26</a></p> <p><a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_21">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_21</a></p> <p><b>Q4</b></p> <p><a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_27">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_27</a></p> <p><a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_22">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_22.</a></p> <p>as follows:</p> <ul style="list-style-type: none"> <li>● Q1 - (08/04/2020) - 8 days - 1.14 weeks</li> <li>● Q2 – (08/07/2020) - 8 days - 1.14 weeks</li> <li>● Q3 – (08/10/2020) - 8 days - 1.14 weeks</li> <li>● Q4 – (08/01/2021) - 8 days - 1.14 weeks</li> </ul> <p>Average days (weeks) for the online publication was computed based on the last 3 quarters, as below:</p> $= \frac{8+8+8}{3}$ <p>= 8 days (1.14 Weeks)</p> <p>IVA downloaded the quarterly budget Implementation Reports for all four quarters for the year 2020, obtained and retained evidence of the timestamp of the publications. The timestamp submitted by the State is the same as the one IVA derived and uploaded as evidence.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s website</p> <p><b>Q1</b>  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_24">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_24</a>  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_2">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_2,</a></p> <p><b>Q2</b>  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_25">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_25</a>  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_20">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_20,</a></p> <p><b>Q3</b>  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_26">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_26</a>  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_21">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_21</a></p> <p><b>Q4</b>  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_27">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_27</a>  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_22">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2020_22.</a></p> <p>IVA observed the following:</p> <p>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.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>b) The Budget Implementation Reports include the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date,</p> <p>c) The Budget Implementation Reports include the balances against each of the revenue and expenditure appropriations.</p> <p>d) The State has an Amended/Revised Budget.</p> <p>e) The Budget Implementation Reports show both the Approved Original Budget AND the Approved Amended budgets.</p> <p>The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations.</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 states 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 states the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and ‘Other Expenditures’ which included debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	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>NOT 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 did not compute the budget deviation and IVA raised an APA issue which the State did not respond to.</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="676 898 1398 1146"> <thead> <tr> <th></th> <th>Total Amended Budget (₦)</th> <th>Actual (₦)</th> </tr> </thead> <tbody> <tr> <td>Capital (pg 2)</td> <td>44,966,099,871.0</td> <td>28,565,374,309.69</td> </tr> <tr> <td>Rec. Exp (pg 2)</td> <td>63,419,736,259</td> <td>59,461,911,772.92</td> </tr> <tr> <td><b>Total</b></td> <td><b>108,385,836,130</b></td> <td><b>88,027,286,082.610</b></td> </tr> </tbody> </table> $\frac{\text{₦}108,385,836,130 - \text{₦}88,027,286,082.61}{\text{₦}108,385,836,130} \times 100 = \underline{18.7\%}$		Total Amended Budget (₦)	Actual (₦)	Capital (pg 2)	44,966,099,871.0	28,565,374,309.69	Rec. Exp (pg 2)	63,419,736,259	59,461,911,772.92	<b>Total</b>	<b>108,385,836,130</b>	<b>88,027,286,082.610</b>	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	Total Amended Budget (₦)	Actual (₦)														
Capital (pg 2)	44,966,099,871.0	28,565,374,309.69														
Rec. Exp (pg 2)	63,419,736,259	59,461,911,772.92														
<b>Total</b>	<b>108,385,836,130</b>	<b>88,027,286,082.610</b>														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The budget performance deviation is 18.7% <b>Source:</b> 2020 Audited Financial Statement Pages 3-4 and Approved Budget Page 2.		
<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?	<b>The IVA obtained and reviewed the attendance list, the pictures of the event, and the minute/report of the meeting</b> a) IVA confirmed some of the LGAs that were in attendance, including: Orlu, Okigwe, Owerri North, Owerri Municipal, Owerri West, Ikeduru, Aboh Mbaise, Ehime Mbaise, Orsu, Oguta, Isu, Obowo. b) IVA confirmed some of the CSOs representatives in attendance, including: Orji Bethel, Nelson Chibundu, Amakile George, Dr. Rose Adiukwu, Dr. Jane Favour. c) The sources of information from which conclusions were drawn include report/ minutes, attendance, pictures, and phone numbers. d) The date of the consultation on the budget proposal was 30th September, 2020, and the venue was Ahiajoku Centre, Owerri, Imo State. e) Ten (10) attendees were called to confirm their attendance at the public consultation. f) The budget was drafted on the 22nd December 2020 as presented to the State Assembly.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>g) IVA compared the dates of the consultation (30th September, 2020) and the date of the draft budget (22nd December 2020). IVA can confirm that the public consultation was done before the budget was drafted.</p> <p>h) The publication of the proposed budget which was as well captured in the minutes of the public consultation was done on the 31st of January 2021 as confirmed through timestamp.</p> <p>i) The weblink for the publication of the proposed budget which was done on the same date as the public consultation was  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2</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) One of the CSOs that attended and signed the document was Dr. (Mrs.) Jane Chukwukkere. This was confirmed through the comments in the minute's Paragraph 3, page 9, and the signature in the attendance list. A copy of the minutes and the attendant list has been retained in the assessment file.</p> <p>b) The report is titled: The One Day Sensitization Programme on Imo State Participatory Budget Stakeholder's Forum. The date of the Minutes was: 30th September, 2020.</p> <p>c) The organization the signatories represent is the Society for the Widows and Orphans.</p> <p>d) The weblink to the publication  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2021_18">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2021_18</a></p>	Satisfactory	
<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</b>		<b>ACHIEVED</b>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<b>Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms</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) A review was done on all required documents, physical or virtual video records/ pictures with a list of attendees with names, organizations.</p> <p>b) The Amended Budget was downloaded via <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SF TAS_2?ID=2020_23">https://www.imostate.gov.ng/IMSG/Common/Services/SF TAS_2?ID=2020_23</a>, and the evidence of the dissemination events was available online for IVA to download via <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SF TAS_2?ID=2020_28">https://www.imostate.gov.ng/IMSG/Common/Services/SF TAS_2?ID=2020_28</a></p> <p>c) The dissemination was done physically on 28<sup>th</sup> July 2020 at Ahiajoku Centre, Owerri.</p> <p>d) The evidence of the dissemination event was published online on 5th August 2020, before the September 30, 2020 deadline. The evidence of dissemination published online by the State includes the minutes of the meeting, attendant list, and pictures copies are retained on file.</p> <p>e) The evidence of the dissemination event was published in the same location with the Amended FY20 budget on the State website <a href="https://www.imostate.gov.ng">https://www.imostate.gov.ng</a> (Links are provided in (b) above)</p> <p>f) The date of publication of the evidence of the dissemination events was 5th August, 2020.</p> <p>g) The web link to the publication is <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SF TAS_2?ID=2020_28">https://www.imostate.gov.ng/IMSG/Common/Services/SF TAS_2?ID=2020_28</a></p>	Satisfactory	
2	Has the State published online, on the State website(s) a Citizens Budget based on the Amended	a. The Citizens budget based on the Amended Budget (2020) was published on 11th September, 2020, before the due date via	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Budget (2020) not later than 30 September 2020?	<p><a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_23">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2020_23</a> This was accessed on 14/02/2022.</p> <p>b. A comparison of the Amended Budget 2020 with the Citizens Budget was done and there are no significant areas of discrepancies.</p> <p>c. IVA confirmed that the Citizen’s budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template by confirming if any discrepancies exist among the following:</p> <ol style="list-style-type: none"> <li>I. Simple explanation of the annual amended budget/citizen’s budget. Page 1-10</li> <li>II. The sources of revenues: Internally Generated Revenue, Statutory FAAC allocation, VAT, Domestic Loans, Development Partners, Other statutory revenue. Page 12, 15 &amp; 16.</li> <li>III. The State did not include domestic and foreign grants as sources of their revenue (page 12). The domestic loans will be from commercial banks N13.3 Billion (Page 15), and The State is not expecting inflow from other financing sources (Page 12).</li> <li>IV. Total expenditure by economic classifications was not separately captured but it cut across the Recurrent and Capital expenditure is provided on Pages 13-14, 17-18</li> <li>V. The total revenue and grants N108.4 Billion (page 11), total expenditures N108.4 Billion (page 13), No budget deficit, No budget financing, and financing gap.</li> <li>VI. There is no Budget deficit.</li> <li>VII. Sectoral Allocation (by MDAs) Page 17-22.</li> <li>VIII. Top Projects to be financed (at least 5) Page 24.</li> </ol>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d. The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included.</p> <p>e. A different format was used, and no significant differences were identified.</p>		
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. Page 3-6, 24</p> <p>b) The Citizens Budget included Data on reallocations and adjusted spending priorities. Page 14</p> <p>IVA confirmed that the amended FY20 state budget was summarised 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 functional feedback and response online mechanisms on its website.</p> <p>b) The type of feedback mechanism established on the State website includes email addresses and phone lines for citizens to contact.</p> <p>c) The State's feedback mechanism provides at a minimum:</p> <ul style="list-style-type: none"> <li>i. Acknowledgement of receipt of comments/feedbacks from citizens, which simply informed the sender that the request or message sent has been received and will be attended to within a given period (24hrs)</li> <li>ii. State's responses to comments/feedback. The response made include referring the sender to the pages of the information required or sending the links to find the needed information.</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>iii. Display of timeframe and the State's government contact details i,e Through phone calls and email channel response is within 24hours</p> <p>d) The test conducted by IVA to ascertain the functionality of the feedback mechanism:  IVA sent an email to the address provided on the website (info@imostate.gov.ng), the IVA put a call through to the phone numbers provided on the website to confirm their functionality or otherwise (09-1550010-10, 09-1550010-20, 09-1550030-10, and 09-1550010-40). While there was an acknowledgement for the receipt of the email, there was no response to the information required. Moreover, the telephone lines provided on the website were called and there was a positive response. The receiver referred the IVA to the appropriate link on the website for the information required.  The IVA also requested for the State's IT service provider to have a walkthrough which was granted.</p> <p>e) A demonstration was done by the State Ministry of Finance to further provide evidence to demonstrate how the State has responded to feedback submitted online. IVA was walked through the State website feedback channel, where different messages were received and responded to, the log page was displayed for IVA</p> <p>f) The State's feedback mechanism is functional. Emails were responded to and designated phone lines responded accordingly.</p> <p>g) The web link is  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/Feedback">https://www.imostate.gov.ng/IMSG/Common/Services/Feedback</a></p>		
<b>DLI 3: Improved Cash Management and reduced Revenue</b>			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<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 not established a functional state-level TSA.</p> <p>b. The State operates multiple accounts. See details below:</p> <ul style="list-style-type: none"> <li>● IGR Main Account: IMO TSA REVENUE CONSOLIDATED ACCOUNT, UBA Bank, Account No. 1022569768</li> <li>● FAAC Account: This was not provided by the State</li> <li>● VAT Account: This was not provided by the State</li> </ul>	Unsatisfactory	The State should establish a functional 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 can forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>The State has a cash management strategy.</p> <p>a) The Document is called Imo State Government Cash Management Strategy.</p> <p>b) It was produced in June 2018.</p> <p>c) The Section on Good Practice in Cash Management, Page 8 of the Cash Management Strategy showed that it covered the processes mentioned. Also, the sections on Revenue Profile, Expenditure Profile Page 12</p> <p>d) The strategy stated that “Consolidation of government cash resources will take place on daily at close of business” - Page 14 of the State’s Cash Management Strategy.</p> <p>e) Evidence of implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds was provided by way of Monthly Cash Projections and Cash Flow Forecasts.</p>	Satisfactory	
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank	<p>The State has a computer application where the State can view the cash balances in the bank account(s).</p> <p>a) The computer application is called APPMart by APPMart</p>	Unsatisfactory	<i>The State should establish a cash management system that allows for a central</i>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations			
	accounts on a single electronic dashboard (based on the approved cash management strategy)?	<p>b) It is in line with the approved cash management strategy.</p> <p>c) It was deployed in 2018.</p> <p>IVA was unable to see the balances for these accounts on the central view portal.</p>		<i>view of cash balances in bank accounts on a single electronic dashboard.</i>			
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) Tests of relevant government officials and checks at 3 MDAs were not conducted because the State did not facilitate a visit to relevant MDAs, Bank Operators, and interviews with fee payers. An APA Issue Report was submitted to the State regarding this but a response was not received by the time of finalizing the Draft Reports but an interview with the Chairman of the BIRS was conducted.</p> <p>b) The TSA of the State is IMO TSA REVENUE CONSOLIDATED ACCOUNT with UBA.</p> <p>c) Not all Government monies go through this account. The State has a separate account for FAAC and VAT.</p> <p>d) An interview with the Chairman of the BIRS showed that govt monies do not sit in the other revenue collecting banks. It showed that all IGR was paid into collection banks and swept to the State's TSA. The BIRS can monitor all payments into the State's TSA via a dashboard.</p> <p>e) The TSA bank Statement was obtained.</p>	Unsatisfactory	The State's TSA should have one consolidated revenue treasury account for state revenues (FAAC and IGR)			
5	Does the TSA cover a minimum of 70% of the State Government's finances?	<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" data-bbox="669 1372 1404 1427"> <tr> <td></td> <td>Total Inflows (₦)</td> <td>Total Outflows (₦)</td> </tr> </table>		Total Inflows (₦)	Total Outflows (₦)	Unsatisfactory	The State's TSA should cover all Government Finances.
	Total Inflows (₦)	Total Outflows (₦)					

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		TSA Bank Statement	21,613,063,122.53	21,579,653,498.82		
		Government Finances*	100,101,183,289.6 2	88,027,286,082.61		
		Percentage	22%	25%		
		<p>The average is percentage computation is:</p> $\frac{22\% + 25\%}{2}$ <p>= <b>24%</b></p> <p>The TSA covered 25% of the State's finances.</p> <p>*Sources: 2020 Audited Financial Statement (Cashflow Statement) and the TSA Statement from (United Bank of Africa Plc) for (January 2020 - April 2021).</p> <p><b>Note:</b></p> <p>I. The TSA Bank Statement (UBA) provided by the State was for a period of 16 months (January 2020 to April 2021). An APA Issue has been sent to the State to provide a Bank Statement for year 2020 (January to December 2020). However, the 16 months Bank Statement has been used for the computation above.</p> <p>II. An APA Issue was raised to seek explanations from the State regarding the material difference existing between the total TSA inflows and outflows and the Cash flow Statement inflows and outflows. No response had been received by the time of finalizing the Draft Report.</p>				
<b>DLI 4: Strengthened Internally Generated Revenue (IGR) Collection</b>						

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>DLR 4.1</b>	<b>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</b>		<b>ACHIEVED</b>	This is a 2021 APA result assessed early. All requirements were met.
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?	<p>a) The name of the extant Revenue Law for the State is called "A law to provide for the re-establishment of Imo State Internal Revenue Service and Revenue Administration, Consolidation and Codification Law, 2021" and the date of assent of the Law is the 11th of November, 2021</p> <p>a) The State does not have separate names for the Revenue Code &amp; rates from the Revenue law.</p> <p>b) The State's revenue code does not contain more than one law.</p> <p>c) The revenue code was approved on the 11th of November, 2021.</p> <p>d) The weblink for the Revenue law, Code is <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_4">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_4</a></p> <p>e) The code included all State IGR sources and the LGs IGR sources (falling under the State)</p> <p>f) The consolidated revenue code included the rate chargeable for each IGR source.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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>a) The IVA’s reviewed the State’s revenue code and noted that it stipulates the SBIR as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State as seen in the section below:</p> <p>SECTION 33</p> <p>(1) The Internal Revenue Service shall have the power to administer any law on taxation in respect of which the State House of Assembly or the National Assembly may confer power on it.</p> <p>(3) The Internal Revenue Service shall have exclusive authority to collect, recover and pay to the designated account all taxes due to the State Government in the State under this or any other enactment through a centralized electronic payment platform administer charges and collect taxes and levies in respect of items listed in the schedules to this Law. State the sections of the code that stipulates the SBIR/SIRS as the sole agency responsible for State revenue collection and accounting.</p> <p>b) The expert review indicated that the State Revenue Law met the requirements.</p> <p>c) Both conclusions are aligned</p> <p>d) Both conclusions aligned.</p>	Satisfactory	
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	<p>a) IVA confirmed that the collection of revenues was made into accounts nominated by the SBIR. Evidence in form of screenshots of the Dashboard where all collecting banks are linked is viewed at the office of the BIR was obtained.</p> <p>b) IVA confirmed that the SBIR/SIRS has full oversight of accounts and is responsible for reporting and accounting for the revenues</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations				
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>	<p>a) The revenue code was approved by the State Legislature on the 11th of November, 2021</p> <p>b) It was assented to by the Governor on the 11th of November 2021.</p>	Satisfactory					
5	<p>Is the Publication published online, so it is automatically available to the public/all taxpayers?</p>	<p>a) The IVA was able to download and keep in a file, a copy of the law, Code, and rates.</p> <p>b) It was downloaded on 9/01/2022 and forwarded to the Revenue Law Expert.</p> <p>c) The weblink of the publication is <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SF TAS_4">https://www.imostate.gov.ng/IMSG/Common/Services/SF TAS_4</a></p>	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:</b> N/A</p> <p><b>Stretch Target:</b> equal to or higher than the 2019 nominal IGR collection</p>	<p>a. The accounting basis used for revenue reporting in 2019 and 2020 from the Audited Financial Statements is cash basis.</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" data-bbox="661 1312 1407 1425"> <tr> <td>REPORTING TEMPLATE: OPTION A</td> <td>NGN</td> <td></td> <td>% GROWTH</td> </tr> </table>	REPORTING TEMPLATE: OPTION A	NGN		% GROWTH	Unsatisfactory	The State should ensure significant year-on-year improvements in its IGR collection.
REPORTING TEMPLATE: OPTION A	NGN		% GROWTH					

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Item	2019	2020			
		<b>Memo: Reported IGR in AFS (Before Adjustments)</b>	<b>14,385,942,777</b>	<b>9,493,907,130</b>	<b>-34%</b>		
		VALID IGR items to be counted as IGR	<b>14,356,849,715</b>	<b>9,475,706,833</b>			
		Direct tax	12,042,462,561	6,926,531,715			
		Personal income tax (PAYE)					
		Licenses	183,630,951	115,777,546			
		Levies					
		Fees	1,101,838,493	2,150,920,359			
		Fines	3,133,405	3,583,100			
		Charges					
		Sales of goods and services	137,998,696	142,708,656			
		Earnings (Excluding interest or investment income)	671,468,237	109,492,848			
		Rent of govt property/building	216,317,373	1,771,222			

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Other (Sales/Rent on Lands and others)		24,921,386			
		"Adjusted IGR" for DLI 4.2 Calculation					
		Sum of all VALID items of IGR if AFS has that detail	14,356,849,715	9,475,706,833	-34%		
		$\frac{\text{₦}9,475,706,833 - \text{₦}14,356,849,715}{\text{₦}14,356,849,715} \times 100$ $= -34\%$					
		There is a decline in growth by 34%					
		Source: 2020 Audited Financial Statement Pages 22 and 23.					
<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>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of the current civil servants and pensioners on the State payroll?	<p>The State commenced and completed the biometrics capture exercise of the civil servants and pensioners in the year 2020.</p> <p>a) The Biometric data capture of the civil servant and pensioners were not outsourced to a Consultant. It was being handled by Imo State Data Management Centre (IMSDMC).</p> <p>b) The total number of civil servants is 15,276.</p> <p>c) The total number of pensioners is 11,158.</p> <p>d) The total number of staff on the State Nominal roll and Payroll is 26,434 each. This comprises 15,276 civil servants and 11,158 pensioners.</p> <p>e) The total number of biometrics data that has been captured is 26,434 comprising 15,276 civil servants and 11,158 pensioners.</p> <p>f) The documents obtained to reach our conclusion are:</p> <ol style="list-style-type: none"> <li>I. Imo State Snap Payroll Dataset as at 31st December 2020 (one-page report),</li> <li>II. Imo State Biometric Enrolment Slips</li> <li>III. Biometric summary of Staff and Pensioners enrolment as of December 2020</li> <li>IV. Screenshots of data from Biometric Verification &amp; Enrolment System of Staff and Pensioner</li> </ol> <p>BIOMETRICS COMPLETION RATE</p> $\frac{\text{No of Biometric Data Captured}}{\text{Total No of Civil Servants + Pensioners on payroll}} \times 100$ $= \frac{26,434}{26,434} \times 100$	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p style="text-align: center;">= 100%</p> <p>The State had captured 100% biometrics 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 in the year 2020.</p> <p>b) The State has linked the biometrics data of 15,276 civil servants and 11,158 pensioners to the payroll.</p> <p>c) The State informed IVA that they detected and removed 264 ghost workers in 2020 during the Biometrics data capture exercise. We reviewed records of the ghost workers and confirmed they were no longer on the payroll by querying a selected random sample of 40 personnel on the payroll.</p> <p>d) The total of ₦953,782,351.35 was saved from the ghost workers detected in 2020.</p> <p>e) The in-year changes to the civil servants and pensioners payrolls (because of starters, leavers, deaths, etc.) are being captured during the biometric exercise.</p> <p>f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths. The procedures in place are as follows: A memo is initiated by the Permanent Secretary of the concerned staff and addressed to the Executive Director of Imo State Data Management Centre requesting for the stoppage of salary. Action is being taken immediately by the MD/IMDMC pending further directives by the higher authority. The documents obtained to support the conclusion on this were: Scanned copies of Initiating memos for stoppage of salaries, approval of Permanent Secretaries, minutes of Managing Director/MD/IMDMC on the directive</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>for stoppage of salaries, and a screenshot of payroll system to confirm the stoppage of salaries.</p> <p>g) There were changes to the civil servant and pensioner payrolls during the fiscal year (as a result of starters, leavers, deaths, etc.).</p> <p>h) These changes were captured by the biometric exercise.</p> <p>i) The procedures put in place by the State to identify and remove ghost workers are through Biometric capturing of civil servants and pensioners and the linking of the Biometric data with the BVN data to the payroll in the Imo State Data Management Centre.</p>		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<p>a) During the Biometrics linkage to payroll, a total number of 264 ghost workers were detected and removed from the payroll database.</p> <p>b) The record that was kept for the identified ghost workers is the Imo State Salary/Payroll Report for 2020 from the Executive Director/Imo State Data Management Centre.</p> <p>c) These ghost workers were identified during the year 2020 (in March 2020) and were removed from the payroll within one month of detection in 2020 (in April 2020). Screenshots of evidence were taken from the payroll on the month of detection and month of removal in 2020.</p> <p>d) The payroll figure before the removal of ghost workers and ghost pensioners from the payroll was ₦16,394,169,428.21</p> <p>e) The payroll figure after the removal of ghost workers from payroll was ₦15,440,387,076.86, leaving a savings of ₦953,782,351.35 to the Imo State Government in 2020.</p> <p>f) The records where identified ghost workers were documented are:</p> <p>I. Imo State Salary/Payroll Report for 2020</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		II. Imo State Auditor-General's Payroll Audit Report for the Year ended 31st December 2020.		
5.2	Link BVN data to at least [90] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		ACHIEVED	
1	Has the State linked the Bank Verification Number data to 90% of its current Civil Servants and pensioners on the State payroll?	<p>The State commenced and completed the BVN data capture of the civil servant and pensioners in 2020.</p> <p>a) The BVN data capture of the civil servant and pensioners were not outsourced to a Consultant. It was being handled by Imo State Data Management Centre (IMSDMC).</p> <p>b) The total number of civil servants is 15,276.</p> <p>c) The total number of pensioners is 11,158.</p> <p>d) The total number of staff on the State Nominal roll and Payroll is 26,434 each. This comprises 15,276 civil servants and 11,158 pensioners.</p> <p>e) The total number of BVN data that has been captured is 26,434 comprising 15,276 civil servants and 11,158 pensioners. No civil servant or pensioner is without BVN data in the State.</p> <p>f) The documents obtained to reach our conclusion are:</p> <ul style="list-style-type: none"> <li>● Imo State Snap Payroll Dataset as at 31st December 2020 (one-page report),</li> <li>● Imo State Biometric Enrolment Slips</li> <li>● Imo State Concise Payroll Report</li> <li>● Biometric summary of Staff and Pensioners enrolment as of December 2020</li> <li>● Screenshots of data from Biometric Verification &amp; Enrolment System of Staff and Pensioners</li> <li>● Screenshots from Biometric Enrolment data of Staff and Pensioners to the payroll.</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>BVN LINKAGE RATE</p> $\frac{\text{No of BVN Data linked} \times 100}{\text{Total No of Civil Servants + Pensioners on payroll}}$ $= \frac{26,434}{26,434} \times 100$ $= 100\%$ <p>The State has linked 100 % of the State's civil servants and pensioners' BVN data to the payroll.</p>		
2	Has the State taken steps to identify payroll fraud?	<p>a) The total number of civil servants and pensioners with BVN data is 26,434. No civil servant or pensioner is without BVN data in the State.</p> <p>b) The records kept for the identified payroll fraud are the Imo State Salary/Payroll Report file.</p> <p>c) The payroll frauds were identified during the year (in March 2020) and were removed from the payroll within one month of detection in 2020 (in April 2020).</p> <p>d) The payroll figure before the fraud identification was ₦8,856,545,302.03.</p> <p>e) The payroll figure after the fraud was dealt with and removed from further payments was ₦8,091,009,452.18, leaving a savings of ₦765,535,849.85 to the Imo State Government in 2020.</p> <p>f) The sources of this information were:</p> <ol style="list-style-type: none"> <li>I. Imo State Salary/Payroll Report for 2020</li> <li>II. Imo State Auditor-General's Payroll Audit Report for the Year ended 31st December 2020 (Page 22).</li> </ol>	Satisfactory	
DLI 6: Improved Procurement Practices for				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<b>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 independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget</b>		<b>ACHIEVED</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?	<ul style="list-style-type: none"> <li>a) The State has a Public Procurement Legal Framework.</li> <li>b) It has been approved by the State Legislature as a Law.</li> <li>c) The date the Law was passed by the State House of assembly was not confirmed while the date the Law was assented to by the Governor was on the 10<sup>th</sup> of November 2010. However, an APA issue was raised on this and the State responded through a letter from the Clerk of Imo State House of Assembly (Chinelo Adaora Emeghara Esq) to the Hon. Commissioner of Finance, with reference No. IHA/CL/S.14A/205 dated 1st March, 2022 affirming that the Law was duly signed by the former Acting Clerk, Obinna Paul Ufomadu, and the former Governor of Imo State, Chief Ikedi Ohakim on the 10th November, 2010.</li> <li>d) The Procurement Law has been passed</li> <li>e) The authorizing body/office is the Bureau of Public Procurement and Price Intelligence.</li> <li>f) The date of approval of the Law is 10th November 2010.</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 law conforms with the UNCITRAL Model law</p> <p>a) The results of the team’s review of the Procurement Law is that the law is structured in line with the Uncitral Law and it meets the requirements. The sections of the law that meets the requirements are: SECTION 7(r)</p> <p>b) The results of the expert review: “Yes, there is substantial compliance with the provisions of the UNCITRAL Model Law on Public Procurement, 2011” All references to sections of the law by the expert are checked and found correct.</p> <p>c) Both conclusions (Team conclusions and expert conclusions) are aligned</p> <p>d) The team and expert conclusions are aligned and both positions are aligned</p> <p>The Imo State Public Procurement Law is structured in line with the UNCITRAL Model and meets the requirements as shown below:</p> <p>Based on the expert’s review of the legislation, some of the requirement in the legislation were substantially compliant (not fully compliant). Therefore, the State is to;</p> <ul style="list-style-type: none"> <li>• Amend the law to provide express provisions on e-procurement</li> <li>• Amend the law to delete Section 3(6)(f) of the ISPPL, 2010 which empowers the Governor to remove a council member in the interest of the commission or the public.</li> <li>• Amend to delete section 17(2) of the ISPPL, 2010 which excludes the application of the law to special goods, works, and services involving state security.</li> </ul> <p>1. <b>E-Procurement</b> - We noted the following during our review of legislation;</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations										
	<ul style="list-style-type: none"> <li>• The Council shall approve changes in the procurement process to adapt to improvements in modern technology. Section 4 (e)</li> <li>• Establish a single internet portal that shall, subject to section 18 (20) to this law, serve as a primary and definitive source of all information on government procurement containing and displaying all public sector procurement information at all times. Section 7 (r)</li> </ul> <p>The law, therefore, complies with the requirements for e-procurement.</p> <p><b>2. Independence</b> - The results of our assessment of the legislation for independence are in the table below:</p> <table border="1" data-bbox="663 813 1236 1403"> <thead> <tr> <th data-bbox="663 813 928 899">Required Provisions*</th> <th data-bbox="928 813 1236 899">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="663 899 928 1011">The Functions and Powers of the Agency</td> <td data-bbox="928 899 1236 1011">Compliant; see SECTION 7 &amp; 8</td> </tr> <tr> <td data-bbox="663 1011 928 1097">The composition of the board</td> <td data-bbox="928 1011 1236 1097">Compliant; See SECTION 3(2)</td> </tr> <tr> <td data-bbox="663 1097 928 1325">Membership of the Board/Council includes representatives from professional bodies and associations.</td> <td data-bbox="928 1097 1236 1325">Compliant; see sections PART II SECTION 3(2)</td> </tr> <tr> <td data-bbox="663 1325 928 1403">The grounds for removal of the</td> <td data-bbox="928 1325 1236 1403">Compliant; see SECTION 3(6a-h)</td> </tr> </tbody> </table>	Required Provisions*	Result	The Functions and Powers of the Agency	Compliant; see SECTION 7 & 8	The composition of the board	Compliant; See SECTION 3(2)	Membership of the Board/Council includes representatives from professional bodies and associations.	Compliant; see sections PART II SECTION 3(2)	The grounds for removal of the	Compliant; see SECTION 3(6a-h)		
Required Provisions*	Result												
The Functions and Powers of the Agency	Compliant; see SECTION 7 & 8												
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Membership of the Board/Council includes representatives from professional bodies and associations.	Compliant; see sections PART II SECTION 3(2)												
The grounds for removal of the	Compliant; see SECTION 3(6a-h)												

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations
		<p>Chief Executive of the agency.</p> <p>Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review</p>	<p>Compliant; See section 56 (8)</p>		
		<p>*Provided by the World Bank</p> <p><b>3. Establishment of an independent procurement regulatory agency -</b></p> <p>a) The law provides for the establishment of an independent procurement regulatory agency. SECTION 3(1a)</p> <p>b) The law covers all MDAs receiving funds from the State budget. Section 17 (1) (a)(b)</p> <p>However, it is recommended that the State should amend the law to:</p> <ul style="list-style-type: none"> <li>• provide express provisions on e-procurement</li> <li>• delete Section 3(6)(f) of the ISPPL, 2010 which empowers the Governor to remove a council member in the interest of the commission or the public.</li> <li>• delete section 17(2) of the ISPPL, 2010 which excludes the application of the law to special goods, works, and services involving state security).</li> </ul>			
3	Has the State instituted an independent procurement regulatory function, which	<p>a) The State has instituted an independent procurement regulatory function</p> <p>b) It is being performed through a council known as the Imo State Council on Public Procurement</p>		Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>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>	<p>c) The agency is responsible for prescribing regulations and procedures for public procurements by the legal framework. SECTION 4(b), SECTION 7(a)</p> <p>d) The IVA visited the agency and interviewed the DG and two staff. Five (5) sample documents (transactions/cases) for the year under assessment were provided and reviewed, therefore, the agency is functional.</p> <p>e) The number of records of procurements/cases/transactions handled by the Agency was not obtained as no records were provided. An APA issue was raised on this, the State response was the link to the list of contacts that were published.</p> <ul style="list-style-type: none"> <li>● The DG of the bureau was interviewed</li> <li>● Two Staff were interviewed</li> <li>● Pictures of the signpost of the bureau were taken and uploaded to the evidence folder.</li> </ul>		
DLR 6.2	<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,</p>		NOT ACHIEVED	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p><b>Health and Public Works) and publish all contract award information in OCDS format on the online portal for the 3 MDAs</b></p> <p><b>AND</b></p> <p><b>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.</b></p>			
1	<p>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>	<p>a) The IVA did not obtain a schedule of all contracts awarded during the year under assessment above the threshold (as defined in the state procurement law). There was no defined threshold for the year 2020</p> <p>b) The data published is in line with the Open Contracting Data Standards (OCDS). However, IVA noted that the copy of the contracts list provided is not legible. The print is too small.</p> <p>c) The date of publication was not confirmed. An APA issue was raised and there was no response as there was no date of publication on the back end.</p> <p>d) The source of the publication is the State Website <a href="https://www.imostate.gov.ng/IMSG/Services/EGov/Budget?ID=2020_5">https://www.imostate.gov.ng/IMSG/Services/EGov/Budget?ID=2020_5</a></p> <ul style="list-style-type: none"> <li>● The website was searched for the comprehensive list of contracts published above the threshold</li> <li>● The state does not have a threshold for publication</li> </ul>	Unsatisfactory	The state should publish contract award information online as required under the standards.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> <li>● The IT was not able to provide the date of publication.</li> </ul> <p>e) The minimum contract award information that was published contained:</p> <ul style="list-style-type: none"> <li>(i) Project name,</li> <li>(ii) awarding institution,</li> <li>(iii) award date,</li> <li>(iv) name of contractor, and</li> <li>(v) contract amount</li> </ul> <p>f) All items from (e) above were published</p> <p>g) The weblink where the data was published:  <a href="https://www.imostate.gov.ng/IMSG/Services/EGov/Budget?ID=2020_5">https://www.imostate.gov.ng/IMSG/Services/EGov/Budget?ID=2020_5</a></p> <p>The contract award information is published on the state official website and was accessible to the public.</p>		
2	Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020?	<p>a) The State has not signed the SaaS e-Procurement Framework Contract.</p> <p>b) A copy of the SaaS e-Procurement Framework Contract has not been obtained.</p> <p>c) The Imo State e-Procurement Platform was signed in 2022.</p>	Unsatisfactory	The State should ensure that it has an arrangement in place to implement e-Procurement as soon as possible.
3	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?	<p>a) The State has not implemented e-procurement in at least 3 MDAs (Education, Health, and Public Works).</p> <p>b) A walkthrough of the 5 transactions from each MDA was not done (with at least 2 categories of expenditure from goods, works, or services) because there was no procurement in 2020.</p> <p>c) No transactions were selected to know if the transactions followed the procurement lifecycle.</p> <p>d) The State has not implemented the E-Publishing/Notification module for contract notice and contract award.</p>	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs and at least 3 MDAs in the first instance (including Education, Health, and Public Works).

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		e) It was not effective during the year 2020.		
<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>ACHIEVED</b>	This is a 2021 APA result assessed early. All requirements were met
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) State has provided copies of its approved state-level public debt legislation  b) Dates of approval/assent are: (i). Debt Management Establishment Law (DMEL); 29/06/2021. (ii). Fiscal Responsibility Law; 10/03/2016	Satisfactory	
2	Does the legislation include provisions that establish the following?  1) Responsibilities for contracting state debt; 2) Responsibilities for	The legislation included all the required provisions:  a) The sections of the code that meet the three required provisions are: i). Provisions that establish the responsibilities for contracting state debt: (Section 7(b) of DMEL which states	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>recording/reporting state debt; and</p> <p>3) Fiscal and debt rules/limits for the state.</p>	<p>"the office shall borrow on behalf of the State Government from any individuals or institutional bodies.")</p> <p>ii). Provisions which establish the responsibilities for recording/reporting state debt; (7(c) of the DMEL which states "the office shall maintain a reliable database of all instruments issued, loans taken or guaranteed by the government or any of its agencies and all contingent liabilities related to it."</p> <p>iii). Provisions that establish Fiscal and debt rules/limits for the state. (section 19(1) of FRL provides that "the estimate of aggregate expenditure for a financial and aggregate amount appropriated by the House of Assembly for each financial year shall not be more than the estimated aggregate revenue plus deficit, not exceeding 5% of the estimated gross domestic product (GDP)</p> <p>b) Result of the expert's review has been obtained and retained in the assessment file. All references to the sections of the laws were checked.</p> <p>c) The IVA and expert's conclusions are aligned.</p> <p>d) The IVA and expert's conclusions are aligned.</p>		
4	<p>Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the core function of recording and reporting state debt?</p>	<p>The State Debt Management Department has been operational during the APA year and performing the core function of recording and reporting state debt.</p> <p>The official premise of the Department was visited, pictures were taken. Interviews were conducted with the Chief Executive of the Department and an official to ascertain the efficiency of the Department. Questionnaires were administered to get their views. The Debt Management Office Establishment Law, State Fiscal Responsibility Law, and Quarterly SDDR were collected from the department and</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		reviewed. This body of evidence have been retained in the assessment file.		
<b>DLR 7.2</b>	<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>  <b>AND</b> <b>Annual state debt sustainability analysis published by end of December 2020</b>		<b>ACHIEVED</b>	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2020?	<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 (27/08/2020) - 58 days,</li> <li>● Q3 submitted on (12/11/2020) - 43 days and</li> <li>● Q4 submitted on (05/02/2021) - 36 days.</li> </ul> <p style="text-align: center;"><u>58+43+36</u> 3</p> <p style="text-align: center;">Average = 45.6 days (6.5 weeks)</p> <p>The SDDRs were submitted within an average of 1.6 months (45.3 days).</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained.</p> <p>b) We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Imo State Debt Domestic Report along with all underlying data and both showed ₦154,790,791,180 and ₦150,197,089,834.65 respectively with a difference of ₦4,593,701,345.35. The report was supported with the DMO's templates and guidelines.</p> <p>We reviewed the DMO report and the State Domestic Debt Report (SDDR) to confirm the accuracy and completeness of the reports.</p> <p>c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State have been compared with the State Audited Financial Statement.</p> <p>d) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement.</p> <p>e) There were discrepancies noted during the comparison.</p> <p>i. SDDR Figure: ₦150,197,089,834.65</p> <p>ii. AFS Figure: ₦113,227,420,619.69</p> <p>iii. Difference: ₦36,969,669,214.96</p> <p>The difference is made up of the following components of Domestic Arrears which were not explicitly stated in the AFS: (i) Contactors Arrears, (ii) Pension and Gratuity Arrears, and (iii) Salary and Other staff Claim Arrears.</p>	N/A	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>f) APA Issue Report was issued to the State as regards the identified inconsistencies. The State in its response said the arrears were left out in error. The State however presented a State Domestic Debt Profile record which detailed the inclusion of all the loans and arrears of the state as stated above as at 31/12/2020. The document has been retained in the assessment file.</p> <p>g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.</p> <p>h) The debt stock figures reported in the SDEDR, have been compared with those of the SDDR submissions by each state.</p> <p>i) There are inconsistencies.</p> <p>i. SDEDR (DMO) Figure: ₦154,790,791,180</p> <p>ii. SDDR (State) Figure: ₦150,197,089,834.65</p> <p>iii. Difference: ₦4,593,701,345.3.</p> <p>j) APA Issue Report was issued to the State as regards the identified inconsistencies between the SDEDR and the SDDR but the State did not respond</p>		
3  New	Has the State published the State Debt Sustainability Analysis Reports (SDSAR) online 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: 29/12/2020.</p> <p>c) The SDSAR was published before the deadline of 31 December 2020.</p> <p>d) The weblink of publication is <a href="https://imostate.gov.ng/IMSG/Common/Services/SFTAS_7?ID=2020_5">https://imostate.gov.ng/IMSG/Common/Services/SFTAS_7?ID=2020_5</a>.</p> <p>e) Screenshot of date of publication from Document Property and Backend from the State IT Service Provider was evidence obtained to confirm the date of publication. (See</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		page 28 of "Timestamp from IT" as attached in the assessment file).		
4 New	Does the SDSAR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options, and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	<p>Upon review of the State Debt Sustainability Analysis Report (SDSAR), it was found to include the following:</p> <p>(1) Adequate presentation of medium-term budget forecasts, including:</p> <p>(a) Presentation of MTB forecasts</p> <p>(b) Description of assumptions underpinning the MTB forecasts</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</p> <p>(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year.</p> <p>b) A review and comparison between the information (figures) contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State Website were done.</p> <p>c) No difference was identified during the review.</p>	Satisfactory	
<b>DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears</b>				
<b>DLR 8.0</b>	<b><u>Basic Target:</u> Domestic arrears as of end 2019 and end 2020 are reported in an online publicly-accessible</b>		<b>ACHIEVED</b> Stretch Target Met	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>database, with a verification process in place.</p> <p><b>Stretch Target:</b> Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with a verification process in place</p> <p><b>AND</b></p> <p>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.</p>			
1	Has the State established an Arrears Clearance Framework (ACF)?	<ul style="list-style-type: none"> <li>a) The State has established an Arrears Clearance Framework (ACF)</li> <li>b) The IVA obtained a copy of the ACF from the State</li> <li>c) The establishment of the ACF occurred by 31 December 2020.</li> <li>d) Establishment of the ACF took place only two (2) days before the 31<sup>st</sup> December 2020 year-end, and it is not adequate to allow time for the implementation of the ACF.</li> </ul>	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an	<ul style="list-style-type: none"> <li>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</li> </ul>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	explicit prioritization of expenditure arrears to be settled.	<p>b) The evidence is seen when reviewing the ACF that shows the ACF contains the two stated requirements was pages 4 and 5 of the ACF</p> <p>Other documents submitted by the state to confirm the ACF exists were The Minutes of the Arrears Clearance Committee, State Arrears Recording Verification, and Clearance Reports (SARVCR). IVA also established the existence of the Arrears Clearance Committee by identifying and conducting interviews with some of its members.</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 have downloaded a copy for validation</p> <p>c) The weblink of publication is;  <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SF_TAS_8?ID=2020_5">https://www.imostate.gov.ng/IMSG/Common/Services/SF_TAS_8?ID=2020_5</a>  The evidence obtained to confirm the date of publication was a screenshot from the IT backend.</p>	Satisfactory													
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	<p>The ACF was established two (2) days to 31st of December, 2020. Therefore, it can only be used for 2021 arrears clearance.</p> <p>Paragraph 3.1 (Pg. 5) of the ACF indicated the Prioritisation criteria/approaches between types of arrears and noted with Approach 1 that “allocation of available fund among the types of the arrears in proportion to their share of the total outstanding stock of arrears”</p> <p>It was observed that based on the States arrears reduction plan, the following was derived:</p> <table border="1"> <thead> <tr> <th>Aggregate</th> <th>2020</th> <th>2019</th> <th>differences</th> <th>Percentage deduction</th> <th>proportion</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Aggregate	2020	2019	differences	Percentage deduction	proportion							Satisfactory	
Aggregate	2020	2019	differences	Percentage deduction	proportion											

Disbursement Linked Indicators (DLIs) and Tests		Findings					Conclusion	Recommendations
		<b>Amount of:</b>					<b>of arrears</b>	
		Contractors Arrears	48,982,876,320.99	58,334,455,045.99	9,351,578,725.00	-	70%	76%
		Pension and Gratuity arrears	15,771,552,684.41	19,889,241,413.19	4,117,688,728.78	-	30%	24%
		Salary arrears and Staff claims	55,043,444.87	0	55,043,444.87	-	0%	0%
		Judgment Debt	0	0	0.00	-		
		Other types of domestic expenditure arrears			0.00	-		
		<b>Total Domestic Arrears</b>	64,809,472,450.27	78,223,696,459.18	13,414,224,008.91	-	100%	100%
		The proportion of Contractors arrears to the total arrears stock in 2020 was 76%, while the proportion of reduction of Contractors arrears was 70%.						

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>For Pension and Gratuities, the proportion to total arrears is 24% while the proportion of arrears reduction was 30%.</p> <p>The State should ensure consistency in the use of the ACF</p>		
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State has established an Internal Domestic Arrears Database</p> <p>b) The Internal Domestic Arrears Database includes the following:</p> <p>(i)The aggregate and individual amounts of contractors' arrears. For contractors' arrears, at a minimum, the internal domestic arrears database must also include the name of the contractor, the amount due at the end-of-year, the nature of the goods and services procured that generated the claim, and billing data (as applicable). The database should show the total domestic arrears stock at the end of each year.</p> <p>(ii)The aggregate amount of pension and gratuity arrears.</p> <p>(iii)The aggregate amount of salary arrears and other staff claims.</p> <p>(iv) The State does not have other types of domestic arrears</p> <p>c) There is a verification process is in place for the arrears in the database</p> <p>d) IVA confirmed through the evidence provided by the State that the State has conducted verification of arrears balances.</p> <p>e) IVA conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, payroll records, underlying contract data, etc.</p> <p>f) The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
6	Has the State published online elements of the internal domestic arrears database for the FY <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 at the end of 2019 and 2020</p> <p>b) IVA compared the aggregate and individual information available on the online publicly accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly accessible arrears database.</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> <p>d) IVA confirmed that the online webpages include a facility for contractors with arrears (creditors) to report any omissions to the State.</p> <p>e) A test of the facility for contractors with arrears (creditors) to report any omissions to the State was tested through the State Online Feedback mechanism and found to be functional.</p> <p>f) No omission was reported to the state</p> <p>g) No addition was made to the contractor arrears because no omission was reported to the state.</p> <p>h) The source of information (i.e. The web link to the online publicly accessible arrears database)</p> <p>i) <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_8?ID=2">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_8?ID=2</a></p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations								
		ii) <a href="https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_8?ID=2020_4">https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_8?ID=2020_4</a>										
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 ₦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 includes the aggregates amount for:</p> <p>I. contractors' arrears;</p> <p>II. Pension and gratuities arrears</p> <p>III. Salary arrears and other staff claim.</p> <p>IV. The state does not have other types of arrears.</p> <p>The online publication contains the names of contractors owed ₦20m in arrears and above.</p>	Satisfactory									
8.	<p>Has the State met the following?</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2020</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>48,982,876,320.99</td> <td>58,334,455,045.99</td> <td>16%</td> </tr> </tbody> </table>	Aggregate Amount of:	2020	2019	% Diff.	Contractors Arrears	48,982,876,320.99	58,334,455,045.99	16%	Satisfactory	
Aggregate Amount of:	2020	2019	% Diff.									
Contractors Arrears	48,982,876,320.99	58,334,455,045.99	16%									

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
<p>compared to end 2019 meets target and is consistent with the state's 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>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.</p>	Pension and Gratuity arrears	15,771,552,684.41	19,889,241,413.19	21%			
	Salary arrears and Staff claims	55,043,444.87	0.00				
	Judgment Debt	0.00	0.00				
	Other types of domestic expenditure arrears						
	<b>Total Domestic Arrears</b>	64,809,472,450.27	78,223,696,459.18	17.2%			
		<p>a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database and confirmed it was the same as the balances stated within the SDDR for 2020.</p> $\frac{\text{₦78,223,696,459.18} - \text{₦64,809,472,450.27}}{\text{₦78,223,696,459.18}} \times 100 = 17.2\%$ <p>The percentage decline is 17.2%</p> <p><b>Source:</b> State internal domestic expenditure arrears database</p>					

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations									
		<p>The State should provide the schedule of the arrear's settlements of N5.78bn in 2020 and N13bn in 2020 as contained in the accounting books to verify that these are actual payments and not write-offs or cancellations while giving IVA feedback on this report.</p> <p>The State did not respond to IVA's request. However, the IVA reviewed the SDDR for Q4 as well as the State public Debt Analysis report attached to the submission to DMO and it showed consistency in the reduction of arrears figures used for the computation.</p>											
<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:&lt; [150%]</b></p> <p><b>-Stretch target: &lt; [125%]</b></p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p><b>Total Public Debt</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>113,227,420,619.69</td> <td>154,790,791,179.00</td> </tr> <tr> <td>Total External Debts</td> <td>36,838,917,779.37</td> <td>36,620,401,265.00</td> </tr> </tbody> </table>		Financial Statements (₦)	DMO/SDEDR Figures (₦)	Total Domestic Debts	113,227,420,619.69	154,790,791,179.00	Total External Debts	36,838,917,779.37	36,620,401,265.00	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	113,227,420,619.69	154,790,791,179.00											
Total External Debts	36,838,917,779.37	36,620,401,265.00											

Disbursement Linked Indicators (DLIs) and Tests	Findings		Conclusion	Recommendations
	<b>Total Public Debts</b>	150,066,338,399.06	191,411,192,444.00	
	<b>Total Annual Revenue</b>			
	2020 Adjusted IGR (see DLI 4.2)	9,475,706,833		
	Gross FAAC Allocation	64,456,631,820		
	Grants	1,000,000,000		
	Other Revenues	9,328,784,231		
	<b>Total Revenue</b>	<b>84,261,122,884</b>		
	<p>a. The State’s domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2020 is at the end of Q4 2020.</p>			
	<p>IVA have computed the Total Debts stock / Revenue percentage for the 2020 year, as follows:</p>			
	$\frac{\text{₦}191,411,192,444.00}{\text{₦}84,261,122,884} \times 100$ <p style="text-align: center;"><b>=227%</b></p>			
	<p><b>Sources:</b></p> <ol style="list-style-type: none"> <li>1. For Total Revenue 2020 Audited Financial Statement, Pages 22, 23, 35-45 and 57,</li> <li>2. For Total Public Debt from DMO* as at December 31, 2020</li> <li>3. NBS/OAGF (FAAC)</li> </ol>			
	<p>*Table 3(i) below holds a breakdown of the Total Debt.</p>			

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>a. 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.</p> <p>b. There is a difference of ₦41,344,854,045, which in percentage is 27.55%.</p> <p>c. The difference has been communicated to the State for an explanation.</p> <p>d. The difference has been calculated in value and percentage terms: ₦41,344,854,045, and 27.55%.</p> <p>The SDEDR was amended and resubmitted to the IVA along with explanations for any changes.</p>		

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

<b>IMO STATE</b>	<b>2020 - AMOUNT (₦)</b>
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,407,336,301.00
BAIL OUT (SALARIES) (SOURCE CBN)	24,206,171,163.00
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	34,170,087,847.00
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,202,108,702.00
STATE BONDS	-
COMMERCIAL BANK LOANS	-
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOANS (CBN FACILITIES)	8,544,795.00
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	987,069,921.00
JUDGEMENT DEBTS	-
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	48,982,876,321.00
PENSION AND GRATUITY ARREARS	15,771,552,684.00
SALARY ARREARS AND OTHER CLAIMS	55,043,445.00
OTHER DEBTS	-
<b>TOTAL DOMESTIC DEBT (TDD)</b>	<b>154,790,791,179.00</b>
TOTAL EXTERNAL DEBT (TED)	36,620,401,265.00
<b>TOTAL PUBLIC DEBT (TED+TDD)</b>	<b>191,411,192,444.00</b>

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

TEMPLATE: OPTION A	₦
Item	2020
<b>1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)</b>	<b>64,456,631,820</b>
<b>1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)</b>	<b>48,179,005,519</b>
1.1.1 Gross statutory allocation	34,102,864,368
1.1.2 Derivation	8,673,595,824
1.1.3 Other FAAC transfers (also known as Distribution) as much excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	5,402,545,327
<b>1.2 VAT</b>	<b>16,277,626,301</b>
<b>2. Internally Generated Revenues (IGR) - Adjusted</b>	<b>9,475,706,833</b>
<b>3. Grants (internal and external)</b>	<b>1,000,000,000</b>
<b>4A. Other revenues (4.1 + 4.2 + 4.3)</b>	<b>9,328,784,231</b>
4.1 Investment Income (e.g. dividends)	-
4.2 Interest Earned	-
4.3 Miscellaneous	18,200,297
4.4 FGN Remitted Payee	6,310,583,934
4.5 Refund of Excess Excess Charges on Accounts	3,000,000,000
<b>Total Revenues and Grants Calculations</b>	
<b>A) Total Revenues and Grants is (1+2+3+4A)</b>	<b>84,261,122,884</b>

#### 4. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	NONE	
2		
3		
4		