



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

2020 Annual Performance Assessment (APA) Report

LAGOS STATE

By:

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



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1. Executive Summary

The report details the outcome of the Annual Performance Assessment (APA) conducted on Lagos 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 Lagos State and shows areas where the State was able to achieve results. In total, Lagos State achieved 9 (Nine) DLRs out of 15 DLRs applicable to the 2020 APA while 1 (One) DLR was achieved in 2019. One of the achieved DLRs was due for assessment during the 2021 APA but has been assessed early as requested by the Programme.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%		
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2021 budget.		
	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		
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 70 percent of state government finances.		The State did not have a functional TSA
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		The Revenue Code does not stipulate that the SBIR is the sole agency responsible for state revenue collection. Collection of revenue was not made into accounts nominated by SBIR.

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	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	Stretch Target Met	
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 90 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		
	DLR 5.2: Link BVN data to at least 90 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency, and 3) Cover all MDAs receiving funds from the state budget		The State should make the following improvements to its draft legislation Amend to ensure that regarding the decisions of the agency; any other review after the board's decision should be by judicial review.
	<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>AND</p> <p><i>For those MDAs without e-procurement:</i> 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>		The state should adopt the OCDS and publish contract award information online as required under the standards.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.	2019 APA	
	<p>DLR 7.2: Quarterly state debt reports for Q2, Q3, and Q4 accepted by the DMO on average two months or less after the end of the quarter in 2020</p> <p>AND</p> <p>Annual State debt sustainability analysis published by end of December 2020</p>		<p>The Annual State Debt Sustainability Analysis was not published by the due date.</p> <p>The Annual State Debt Sustainability Analysis did not include a Medium-Term Budget forecast.</p>

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
			The Annual State Debt Sustainability Analysis did not include an analysis of the debt and fiscal figures in the preceding year.
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	<p>DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place.</p> <p><u>Stretch Target:</u> Domestic arrears as of end 2019 and end 2020 reported in an online publicly accessible database, with verification process in place AND at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019 consistent with the state's arrears clearance framework or maintain stock of arrears below 5 billion.</p>	Stretch Target Met	
DLI 9: Improved debt sustainability	Total debt stock at end of December 2020 as a share of total revenue for FY2020 meets target: Basic target: < 150%, Stretch target: < 125%.		Total debt stock to Revenue is 158.66%

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

1. DLR 3.0: Develop a functional State-level TSA where all Government revenues (IGRs and FAAC) are credited into before expenditure. Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.
2. DLR 4.1: Review for amendments, the revenue law (alongside with the revenue code). The revenue law should clearly state the revenues' sources (including the Local Governments sources). The amended revenue law and code should be published online.
3. DLR 6.1: Amend the Procurement Law to comply fully with the provision for the establishment of an independent Procurement Regulatory Agency per the UNCITRAL Model Law.
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 7.2: The annual State debt sustainability analysis is published within the required timeframe. Also, the Annual State Debt Sustainability Analysis includes Medium Term Budget forecast, and the Annual State Debt Sustainability Analysis includes Analysis of the debt and fiscal figures in the preceding year.)
6. 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

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 Taxation, Procurement, and had some input/support from the Debt Management Office (DMO) for debt management related DLIs to review the legislation in place for this State.

2.2 Scope

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

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitized on the requirements of the program and the protocol for 2020. The assessment results are binary (Achieved or Not Achieved), as that is how the Program for Results was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between (31/01/2022 and 04/02/2022) with a team of six persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2020] quarterly budget implementation reports published with Q2, Q3, and Q4 reports published on average within [4 weeks] of quarter end to enable timely budget management		Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on (https://lagosstate.gov.ng/vital-data-lagos-bureau-of-statistics-2/) as follows:</p> <p>(a) Q1 - (30/04/2020) - 30 days (b) Q2 – (28/07/2020) - 28 days (c) Q3 – (28/10/2020) - 28 days (d) Q4 – (27/01/2021) - 27 days</p> <p>Average days (weeks) for the online publication was computed based on the last 3 quarters, as below:</p> <p><u>28+28+27</u></p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>3</p> <p>Average = 27.67 days (3.95 weeks)</p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2020, obtained and retained evidence of the timestamp of the publications.</p>		
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 (<i>see weblinks above</i>) we observed the following:</p> <ul style="list-style-type: none"> 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 as provided on pages (46 for Overheads, 56 for subventions, 66 for personnel, and 31 for capital expenditures) of the Budget Performance Report (Q4). b) The budget implementation reports included the actual expenditures for the quarter attributed to each MDA as well as the cumulative expenditures for the year to date. This was stated in the Budget Performance Report (pg. 46) which captured actual expenditures for the quarter attributed to each MDA with cumulative expenditures for the year to date. c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations d) The State has an amended/revised budget e) The Budget Implementation Reports showed both the approved original budget AND the approved amended/revised/ budgets. <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>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date?	Upon review of the State's Budget Performance reports, it stated the actual expenditures for each quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for the year to date.	Satisfactory	
4	Does the report state balance against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	Upon review of the State's Budget Performance reports, it stated the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which included debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory	
DLR 1.2	FY [2020] deviation from total amended budget expenditure is less than 15%		Achieved	
1	Has the State computed the difference between	<i>In response to the request form, the State did not compute the budget deviation for 2020.</i>	Satisfactory	

Internal

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	<p>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 IVA computed the budget deviation for this APA year. See the computation below:</p> <table><tr><td></td><td>Total Amended Budget N'000</td><td>Actual N'000</td></tr><tr><td>Capital (pg. 15)</td><td>507,061,659</td><td>505,643,828</td></tr><tr><td>Rec. Exp (pg. 15)</td><td>413,406,930</td><td>338,838,127</td></tr><tr><td>Total</td><td>920,468,58</td><td>844,481,955</td></tr></table> <p>$\frac{N920,468,589,000 - N844,481,955,000}{N920,468,589,000} \times 100$</p> <p>$= 8.26\%$</p> <p>The budget performance deviation is 8.26%</p> <p>Source: 2020 Audited Financial Statement Pg. 15 and Approved Budget and Actual Expenditure or Appropriation Law Pg. 18 and 34.</p>		Total Amended Budget N'000	Actual N'000	Capital (pg. 15)	507,061,659	505,643,828	Rec. Exp (pg. 15)	413,406,930	338,838,127	Total	920,468,58	844,481,955		
	Total Amended Budget N'000	Actual N'000														
Capital (pg. 15)	507,061,659	505,643,828														
Rec. Exp (pg. 15)	413,406,930	338,838,127														
Total	920,468,58	844,481,955														
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process																

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2021] budget		Achieved	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	<p>(a) Lagos State conducted a "town hall" consultation forum before the proposed 2021 budget was drafted. The meeting was held for five (5) days between 4 -11 August 2020 at Adeyemi Bero Hall, The Secretariat, Alausa Ikeja.</p> <p>(b) Some of the Local Government Areas (LGAs) represented are:</p> <ol style="list-style-type: none"> 1. Ibile 2. Badagry 3. Ikorodu 4. Lagos Island/Mainland 5. Epe <p>(c) The Civil Society Organizations (CSOs) were represented at the consultative forum. Names of the CSOs and their organizations are stated below:</p> <ol style="list-style-type: none"> 1. Popoola I. Gabriel - Association of Lagos State Butchers 2. Agbaje Hakeem - NYCN 3. Viesor Omoregie - Good Governance Forum 4. Rt. Hon. Ogidan Abayomi - Youth Parliament 5. Olajide Davies - The Nigerian Red Cross <p>(d) Evidence obtained for public consultations included communique, attendance list, videos of the event, etc. The link</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>to the upload of the consultative forum: https://lagosmepb.org/budget-item/budget-consultative-forum</p> <p>(e) Ten (10) attendees were called and confirmed their attendance at the event</p> <p>(f) The 2021 budget was drafted in October 2020. Presentation of the Draft Budget to the House of Assembly was done on 10th November 2020. A consultative forum of the 2021 budget was conducted in August 2020.</p> <p>(g) The publication of the proposed budget was done on 29th January 2021 before the deadline of 31 January 2021. However, due to an upgrade of the state's website, the link was broken and was re-uploaded in May 2021</p> <p>(h) The weblink to the publication is: https://lagosmepb.org/wp-content/uploads/2021/05/signed-2021-appropriation-bill.pdf</p> <p>(i) A screenshot of the back-end time stamp of the state's website for the initial upload as of 29 January 2021 was obtained and retained.</p>		
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2021 to enable citizens to find the inputs easily?	<p>(a) The minutes of the consultative forum was titled - Y2021 Consultative Forum and dated 4 - 11 August 2020.</p> <p>(b) The CSO representative that co-signed the minutes of the meeting was Ayo Adebuseye - Lagos State Civil Society Partnership (LACSOP).</p> <p>(c) The signed minutes of the meeting was published on the official website of the state on 5 November 2020</p> <p>(d) The weblink to the publication is as shown below: https://lagosmepb.org/budget-item/budget-consultative-forum/</p>	Satisfactory	
DLR 2.2	Evidence of dissemination event to explain amendments to		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	FY2020 State budget published online along with the Citizens' budget based on Amended FY2020 State budget by end September 2020 with functional online feedback mechanisms			
1.	Did the state conduct dissemination events to explain amendments to the FY2020 State budget and was adequate evidence of the events published online and by the due date?	<p>(a) A review was done on all required documents. The amended budget was disseminated to stakeholders and citizens through an inter-ministerial briefing in April 2020 and a press release on 21 May 2020 by the Commissioner of Budget and Economic Planning, Mr. Sam Egube. The weblinks of the event as published by media houses are highlighted below:</p> <p>Inter-Ministerial Briefing: https://punchng.com/lasg-set-to-reorder-n1-168tn-budget/?utm_source=auto-read-also&utm_medium=web</p> <p>Citizens Briefing - https://www.premiumtimesng.com/coronavirus/393949-covid-19-lagos-reduces-2020-budget-by-21-per-cent.html</p> <p>(b) Publication from representatives of the News Agency of Nigeria present at the event has been downloaded.</p> <p>(c) The dissemination meetings were conducted virtually, and the dates were 10th April 2020 and 21st May 2020</p> <p>(d) Evidence of the dissemination event was published on the State's website on the 21st May 2020 through the web link - https://lagosstate.gov.ng/blog/2020/05/21/lagos-reduces-year-2020-budget-figures-by-21-percent/; and the amended budget was published on 29 September 2020 through the web link -</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>https://sto.lagosstate.gov.ng/2020/09/29/revised-y2020-budget-gov-shoa/</p> <p>(e) They were both published on the state's website before 30 September 2020</p> <p>(f) Dates of posting with the IT service provider at the State were 21 May 2020 and 29 September 2020 respectively</p>	Satisfactory	
2	Has the State published online, on the State website(s) a Citizens Budget based on the Amended Budget (2020) not later than 30 September 2020?	<p>(a) The Citizens budget based on the Amended Budget (2020) was published before the due date via http://sto.lagosstate.gov.ng/wp-content/uploads/sites/228/2020/09/Revised-Citizens-Budget.pdf accessed on 29/09/2020.</p> <p>(b) The Amended Budget 2020 was compared with the Revised Citizens Budget. No discrepancies were observed.</p> <p>(c) The State's Citizens budget contained the following information:</p> <ul style="list-style-type: none"> i. Simple explanation of the annual amended budget/citizens budget. ii. The sources of revenues are Internally Generated Revenue, Capital Receipt, Federal Transfers, and Financing. iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. iv. Total expenditure by economic classifications. v. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. vi. Disclosure of Budget deficit (if any) and how it will be financed. vii. Sectoral Allocation (by MDAs). viii. Top Projects to be financed <p>(d) The citizen's budget contained the minimum required budget information as shown above as in the Citizen Budget User Manual and Excel Template.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	<p>(a) The Revised Citizens Budget included an explanation of the key changes between the Original FY20 Budget and the Amended FY20 Budget.</p> <p>(b) The Revised Citizens Budget included Data on reallocations and adjusted spending priorities.</p> <p>Thus, we confirmed that the amended FY20 state budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.</p>	Satisfactory	
4	Does the State website have functional feedback and response online mechanisms?	<p>(a) Lagos State has two established functional feedback and response online mechanisms.</p> <p>(b) The feedback mechanisms are as stated below:</p> <ul style="list-style-type: none"> i. Toll-free numbers - 112 and 767. ii. Lagos State Citizen Gate, which is an intuitive service, based technology innovation for managing relationships between Citizens and the Government where citizens can lodge feedback and complaints about all Ministries, Departments, and Agencies in the State. The weblink is stated below: https://citizensgate.lagosstate.gov.ng/#/ <p>(c) The State's feedback mechanism provides at a minimum:</p> <ul style="list-style-type: none"> i. Acknowledgement of receipt of comments/feedbacks from citizens ii. State's responses to comments/feedbacks iii. Display of timeframe and the State's government contact details. <p>(d) An online feedback submission form was submitted on the Citizen Gate platform via the web link stated above.</p> <p>(e) The demonstration was conducted by the state's ICT unit for all MDAs in the state to demonstrate how the state responds to feedback submitted online.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>(f) The result of the demonstration and the result of the functionality test is as follows:</p> <ul style="list-style-type: none"> i. After the submission of the online feedback form, the query number was displayed on the screen (see result link: https://citizensgate.lagosstate.gov.ng/#/ticketsuccess/T22020415972) ii. An acknowledgement mail stating the receipt of the inquiry and the ticket ID was received in the IVA's mailbox. (Screenshot of the email was retained). iii. Screenshot of the backend showing the repository email was obtained and retained. <p>(g) We made calls to the toll-free numbers and responses were received.</p> <p>(h) From the functionality test conducted above, Lagos State's feedback mechanism is functional. All forms of evidence were obtained and retained.</p> <p>(i) The URL landing page can be seen on the weblink - https://citizensgate.lagosstate.gov.ng/#/complaint.</p>	Satisfactory	
<i>DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA</i>				
DLR 3.0	Improved cash management and reduced revenue leakages through the implementation of State TSA		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Has the State established a functional State-level TSA?	<p>(a) The State has not established a functional state-level TSA.</p> <p>(b) The State operates multiple accounts as in:</p> <ul style="list-style-type: none"> IGR Main Account: The State has one consolidated Revenue Account and Expenditure Account across 21 DMBs in the State. FAAC Account: Polaris Bank Account Number: 1770529521, Account Name: LASG – EXPEND A/C VAT Account: Zenith Bank Account No:1016579557 	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 named LAGOS STATE GOVERNMENT CASH MANAGEMENT STRATEGY.</p> <p>(b) It was produced on 23 December 2019 and was signed by the State's Accountant-General/Permanent Secretary and the Honorable Commissioner for Finance.</p> <p>(c) Cash Management Strategy includes the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds. (As seen in Chapter 3.6.1 pages 19 - 20).</p> <p>(d) The sweeping processes are established in chapter 4.3, page 31 of the Cash Management Strategy. The processes involve daily sweeping of receipts from a Revenue account with a particular DMB into an Expenditure account with the same DMB.</p> <p>(e) There exists evidence of the implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds. The State has quarterly cash forecasts, generated by daily projects that accumulated into monthly, quarterly, and annual forecasts.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	<p>The State has a computer application where the State can view the cash balances in the bank account(s).</p> <ul style="list-style-type: none"> i. The name of the Application is Bank Accounts Monitoring Systems - BAMS, developed by NIBSS - (Nigeria Inter Banks Settlement Systems) ii. The system works in line with the cash management strategy, such that respective bank balances are automatically updated on an hourly basis. iii. The Application was deployed on March 2, 2020. 	Satisfactory	
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	<ul style="list-style-type: none"> (a) Findings on various tests performed, including interviews with relevant govt officials, and the checks conducted at 3 MDAs showed that the revenues collected by respective MDAs such as service fees, PAYE, Business Premises, Development levies, Royalties, etc. no longer sit in individual MDA accounts at different Deposit Money Banks, but are deposited into the State's Revenue Accounts, then swept daily to the Expenditure Accounts in all the 21 Banks. However, the balances in the 21 Banks are not swept into a single account, as required. (b) The State does not have a consolidated bank account (TSA) for the state's finances. (c) All govt monies do not go through a designated single account. (d) Government monies in revenue collecting banks are transferred into an expenditure account domiciled with the same bank. (e) Bank Statements for 21 banks were obtained and retained in the file. 	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	The IVA could not compute the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows due to the non-existence of a Treasury		The State's TSA should cover all of Government

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	State Government’s finances?	<p>Single Account. However, government finances as contained in Consolidated Cash Flow Statements were extracted as below:</p> <table><tr><td></td><td>Total Inflows</td><td>Total Outflows</td></tr><tr><td>TSA Bank Statement</td><td>0</td><td>0</td></tr><tr><td>Government Finances*</td><td>656,109,556,000</td><td>844,481,955,000</td></tr><tr><td>Percentage</td><td>N/A</td><td>N/A</td></tr></table> <p>The average is percentage computation is:</p> $\frac{0\% + 0\%}{2} = 0\%$ <p>The TSA covered 0% Of the State’s finances.</p> <p>*Sources: 2020 Audited Financial Statement (Cashflow Statement) Pg. (14-15)</p>		Total Inflows	Total Outflows	TSA Bank Statement	0	0	Government Finances*	656,109,556,000	844,481,955,000	Percentage	N/A	N/A	Unsatisfactory	Finances through a designated/consolidated bank account for its finances.
	Total Inflows	Total Outflows														
TSA Bank Statement	0	0														
Government Finances*	656,109,556,000	844,481,955,000														
Percentage	N/A	N/A														
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection																
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal		Not Achieved													

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published			
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	<p>(a) The full name of the extant Revenue Law for the State is the Lagos State Revenue Administration Law, 2006, and assented into law on 13 March 2006.</p> <p>(b) The name of the Revenue Code & rates is Lagos State Codification of Taxes, Levies, Rate and Charges Regulations 2020.</p> <p>(c) The Revenue Law and Code are properly cross-referenced.</p> <p>(d) The revenue code was approved (assented to by the Governor) on 29th September 2020 but evidence of legislative approval was not seen.</p> <p>(e) The Revenue law was posted on this website: http://sto.lagosstate.gov.ng/storage/sites/228/2019/12/LAGOS-STATE-REVENUE ADMINISTRATION-LAW.pdf while Code and rates were posted on: https://lirs.gov.ng/assets/docs/revenuecodes.pdf</p> <p>(f) The code does not include all State IGR sources and the LGs IGR sources. The codes does not include the appropriate rate for most of the taxes, levies, fines, fees etc.</p> <p>(g) The consolidated revenue code does not include all the rate chargeable for each IGR source.</p>	Unsatisfactory	
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR)	<p>(a) The Consolidated Revenue Law stipulates that the Lagos State Internal Revenue Service (LIRS) is the sole agency responsible for state revenue This is contained in S.21(b).</p> <p>(b) All references to sections of the law by the expert are checked.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?	(c) The conclusions of both IVA and the Law Consultant are aligned. (d) There was no discrepancy between the IVA review and that of the IVA Tax Law Consultant.	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?	(a) The collection of revenues was made into several accounts owned by the State but not nominated by LIRS. (b) The LIRS does not have full oversight of accounts and is not responsible for reporting and accounting for the revenues.	Unsatisfactory	The state should revalidate revenue accounts by ensuring SBIR/SIRS nominates such accounts where all revenues are swept at regular intervals for proper accountability.

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 Lagos State Codification of Taxes, Levies, Rates and Charges Regulations 2020 was not approved by the State Legislature. It was established by the Chairman of the Lagos State Board of Internal Revenue.</p> <p>(b) It was assented to by the Governor on 29th September 2020.</p>	Unsatisfactory	The State should provide legal backing for the Revenue Code, to avoid unnecessary litigation.
5	<p>Is the Publication published online, so it is automatically available to the public/all taxpayers?</p>	<p>(a) The team was able to download and keep in a file, a copy of the Law, Consolidated Revenue Code.</p> <p>(b) The documents were accessed and downloaded on 31 January 2022.</p> <p>(c) The weblink of the publication is: http://sto.lagosstate.gov.ng/storage/sites/228/2019/12/LAGO-S-STATE-REVENUE-ADMINISTRATION-LAW.pdf for the Law and https://lirs.gov.ng/assets/docs/revenuecodes.pdf for the codification.</p>	Satisfactory	
DLR 4.2	2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection		Achieved <i>(Stretch target met)</i>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																																																				
1	<p>Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: N/A</p> <p>Stretch Target: 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 or State Auditor-General’s Report was an accrual basis of accounting.</p> <p>(b) The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table><tr><th>REPORTING TEMPLATE: OPTION A</th><th>NGN</th><th>NGN</th><th>% GROWTH</th></tr><tr><th>Item</th><th>2019</th><th>2020</th><th></th></tr><tr><td>1. Reported IGR in AFS (Before Adjustments)</td><td>417,245,726,000</td><td>446,116,446,000</td><td>7%</td></tr><tr><td></td><td></td><td></td><td></td></tr><tr><td>2. VALID IGR items to be counted as IGR</td><td>393,468,114,000</td><td>414,739,635,000</td><td>5%</td></tr><tr><td>Direct tax</td><td>68,208,782,000</td><td>66,582,360,000</td><td></td></tr><tr><td>Personal income tax (PAYE)</td><td>279,792,331,000</td><td>292,479,858,000</td><td></td></tr><tr><td>Licenses</td><td>4,943,270,000</td><td>4,931,974,000</td><td></td></tr><tr><td>Fees</td><td>16,230,264,000</td><td>20,716,618,000</td><td></td></tr><tr><td>Charges (Land Use Charge)</td><td>5,424,019,000</td><td>5,310,882,000</td><td></td></tr><tr><td>Earnings (Excluding interest or investment income) - Capital Receipts (Note 15, pg.28)</td><td>8,972,288,000</td><td>13,927,938,000</td><td></td></tr><tr><td>Other: Income from Other Services (Note 14, pg. 28)</td><td>8,895,485,000</td><td>10,790,005,000</td><td></td></tr><tr><td>Other Revenue from Non-Exchange Transactions (Note 13, Pg. 27)</td><td>1,001,675,000</td><td>0</td><td></td></tr></table>	REPORTING TEMPLATE: OPTION A	NGN	NGN	% GROWTH	Item	2019	2020		1. Reported IGR in AFS (Before Adjustments)	417,245,726,000	446,116,446,000	7%					2. VALID IGR items to be counted as IGR	393,468,114,000	414,739,635,000	5%	Direct tax	68,208,782,000	66,582,360,000		Personal income tax (PAYE)	279,792,331,000	292,479,858,000		Licenses	4,943,270,000	4,931,974,000		Fees	16,230,264,000	20,716,618,000		Charges (Land Use Charge)	5,424,019,000	5,310,882,000		Earnings (Excluding interest or investment income) - Capital Receipts (Note 15, pg.28)	8,972,288,000	13,927,938,000		Other: Income from Other Services (Note 14, pg. 28)	8,895,485,000	10,790,005,000		Other Revenue from Non-Exchange Transactions (Note 13, Pg. 27)	1,001,675,000	0		Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		3. "Adjusted IGR" for DLI 4.2 Calculation (A)					
		Sum of all VALID items of IGR if AFS has that detail	393,468,114, 000	414,739,635,000	5%		
		<div>$\frac{N414,739,635,000 - N393,468,114, 000}{N393,468,114, 000} \times 100$$= 5\%$</div> <p>The annual nominal growth is 5%</p> <p>*Source: 2020 Audited Financial Statement pg. 14 (Cash Flow Statement) and pages 26-28 (Notes to the FS)</p>					
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud							
DLR 5.1	Biometric capture of at least [90] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll					Achieved	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 90% of the current civil servants and	The State commenced the Biometric data capture of the civil servants and pensioners in 2013 and completed the exercise in December 2019. i. The exercise was handled by Lagos State Residents Registration Agency (LASRRA)					

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	pensioners on the State payroll?	<p>ii. The total number of civil servants is 58,468</p> <p>iii. The total number of pensioners is 10,634</p> <p>iv. The total number of staff on the State Nominal roll amount to 69,102 and Payroll is 69,102.</p> <p>v. The total number of civil servants with Biometrics is 54,258 and pensioners with Biometrics is 9,571</p> <p>vi. The conclusion obtained from the state nominal roll was:</p> $\frac{63,829 \times 100}{58,468 + 10,634}$ $= 92.37\%$ <p>The State had captured 92.37% of the State's civil servants and pensioners on its payroll.</p>	Satisfactory	
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 in November and completed the exercise at the end of December 2019.</p> <p>(b) A total of 63,829 biometric data have been linked to the payroll (54,258 civil servants and 9,571 pensioners)</p> <p>(c) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and dead workers were detected during the biometric validations.</p> <p>(d) No ghost workers were detected during the period under review (2020).</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>(e) In-year changes to the civil servant and pensioner payrolls (as a result of starters, leavers, deaths, etc.) are captured by the biometric exercise.</p> <p>(f) Memos from the originating Ministries, Departments, and Agencies as well as monthly audit reports from the Central internal Audit Department, informing the Governor of the “off-payroll status” of civil servants were obtained and reviewed.</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 and monthly staff audit by the Central Internal Audit.</p> <p>(i) Procedures such as monthly routine personnel audits by the central internal audit department, are in place to identify and remove ghost workers.</p>		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	(a) No ghost workers were detected during the period under review.	Satisfactory	
DLR 5.2	Link BVN data to at least [90] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 linkage of Staff BVN to payroll in 2017 and continued the linkage of BVN data of the civil servant and pensioners in the State up until 31 December 2019.</p> <p>(a) The linkage of BVN data of the civil servant and pensioners to the State payroll was handled by Lagos State Centralized Payroll and Validation Directorate (CPVD)</p> <p>(b) The total number of civil servants was 58,468</p> <p>(c) The total number of pensioners was 10,634</p> <p>(d) The total number of staff on the State Nominal roll was 69,102 (active and non-active)</p> <p>(e) The number of staff with BVN data linked to the payroll is 63,829.</p> <p>(f) The following documents were obtained and reviewed accordingly:</p> <ul style="list-style-type: none"> i. A copy of the Nominal Roll for all State civil servants ii. A copy of the Nominal Roll for all State pensioners iii. A report from the State Treasury Office (Personnel cost detail for the year ended December 31, 2020) $\frac{63,829}{69,102} \times 100 = 92.37\%$ <p>The State has linked 92.37 % of the State's civil servants and pensioners' BVN data to the payroll.</p>	Satisfactory	
2	Has the State taken steps to identify payroll fraud?	(a) No payroll fraud was identified within the period under review.	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 6.1	Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget		Not Achieved	
1	Does the State have a public procurement legal framework that must be approved by the State legislature to have a legal basis, either as a law or a resolution?	<ul style="list-style-type: none"> (a) The state has a public procurement legal framework. (b) The Public Procurement Legal Framework has been approved by the State legislature as a law. (c) The Procurement Legal Framework was passed and assented to by the Governor. The assent date was not indicated on the Law but, the Letter of Transmittal showed it was presented to the Governor on 8 March 2021 for assent. This is a 2021 DLR that has been assessed early. (d) There is no resolution of the State House of Assembly guiding Procurement as the Procurement Law has been passed (e) The authorizing body is the Lagos State House of Assembly. The date of approval was 11 February 2021. 	Satisfactory	
2	Does the law conform with the UNCITRAL Model Law which should	The Lagos State Public Procurement Law is structured in line with the UNCITRAL Model and meets the requirements as shown below:		The State should make the following

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations						
	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>E-Procurement - We noted the following during our review of legislation:</p> <ul style="list-style-type: none">• The Procurement Agency is to approve changes in the procurement Process to adapt to improvements in modern technology. S. 68 (1) & (2)• The Board shall design and set up a secured electronic portal to be known as the Lagos State Government Electronic Procurement System, which shall be the primary source of information for all public procurement matters and opportunities within the purview of Law and the Regulations issued under this Law. S. 68 (1).• It shall be lawful for any procuring entity to consider any or all its tenders by an electronic auction and or simulation on its electronic portal, provided that the use of the electronic system shall be transparent, efficient, and economical. S. 68 (2). <p>The law, therefore, complies with the requirements for e-procurement.</p> <p>Independence - The results of our assessment of the legislation for independence are in the table below:</p> <table><tr><th>Required Provisions*</th><th>Result</th></tr><tr><td>The Functions and Powers of the Agency</td><td>Compliant; see page 7 & 8, section 17 & 18</td></tr><tr><td>The composition of the board</td><td>Compliant; See (page 4 section 4 (1) & (2)</td></tr></table>	Required Provisions*	Result	The Functions and Powers of the Agency	Compliant; see page 7 & 8, section 17 & 18	The composition of the board	Compliant; See (page 4 section 4 (1) & (2)	Unsatisfactory	<p>improvements to its draft legislation</p> <p>Amend to ensure that regarding the decisions of the agency; any other review after the board’s decision should be by judicial review.</p>
Required Provisions*	Result									
The Functions and Powers of the Agency	Compliant; see page 7 & 8, section 17 & 18									
The composition of the board	Compliant; See (page 4 section 4 (1) & (2)									

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations
		Membership of the Board/Council includes representatives from professional bodies and associations.	Compliant; see page 5, section 4(2)(d) (i, ii & iii)		
		The grounds for removal of the Chief Executive of the agency.	Compliant; see section page 10, section 21(i) (a, b & c.		
		Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Non-compliant Though it is not explicit where appeals from decisions of the Agency on complaints made to it by a bidder will lie. Unfortunately decisions of the Agencies Board on complaints against the Agency are subject to appeal to the State Executive Council under - S. 79 (2) (iii) LSPPL, 2021		
		<p>*Provided by the World Bank</p> <p>(a) Establishment of an independent procurement regulatory agency - The law provides for the establishment of an independent procurement regulatory agency. The relevant sections of the Law are S. 3 (2)(a)(b)(c) & S. 4 (1) & (2). The Law states that 'There is established the Lagos State Public Procurement Agency (referred to in this Law as 'the Agency'). S. 4 states that 'There is established the Lagos State Public Procurement Agency Governing Board (referred to in this Law as 'the Board') and insert references to the appropriate sections of the law</p> <p>(b) The law covers all MDAs receiving funds from the State budget. Section 87 (1) (a)-(c) provides that 'the LSPPL, 2021 shall apply to all procurement of goods, works and</p>			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		services carried out by the Lagos State Government, local government and all procuring entities which derive funds appropriated or proposed to be appropriated from the state consolidated revenue funds or from other funds such as revolving funds and grants.		
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency, or any other type of entity set up for the statutory purpose?	<p>(a) The State has instituted an independent procurement regulatory function.</p> <p>(b) It is being performed through the Lagos State Public Procurement Agency.</p> <p>(c) The Agency is responsible for prescribing regulations and procedures for public procurements by the legal framework.</p> <p>(d) The evidence we obtained to demonstrate that the regulatory agency is active and effective was a visit to the Agency, interview with the Chief Executive and selected staff of the Agency.</p> <p>(e) The number of records of procurements handled by the Agency that were used in performing the walkthrough to confirm the effective handling of the selected cases were 5.</p> <ul style="list-style-type: none"> • We visited the Agency • Selected 5 procurement files • Conducted walkthrough test on the five procurement files on the e-procurement portal from planning to the award of contracts. Screenshots of the processes were obtained as evidence. 	Satisfactory	
DLR	Basic Target: Framework contract for e-			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
6.2	<p>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><u>Stretch Target:</u> 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>AND</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</p>		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	online portal if available.			
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2020) that are above the threshold (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?	<p>(a) We obtained a schedule of all contracts awarded during the year under assessment.</p> <p>(b) The data published is in line with the Open Contracting Data Standards (OCDS)</p> <p>(c) The date of publication was provided once you click on the actual project name.</p> <p>(d) The source of publication was https://lagospaocds.azurewebsites.net/Home/Procurements/</p> <p>(e) The IVA verified that the publication was in line with the OCDS format. The OCDS template included the Project Name, Awarding Institution, Awarding Date, Name of Contractor, and Contract sum.</p> <p>The minimum contract award information that was published was:</p> <p>i. Project name,</p> <p>ii. awarding institution,</p> <p>iii. award date,</p> <p>iv. name of contractor, and</p> <p>v. The contract amount was published.</p> <p>(f) Some of the contracts do not have award date</p> <p>(g) web link where data was published: https://lagospaocds.azurewebsites.net/Home/Procurements</p>	Unsatisfactory	The state should adopt the OCDS and publish contract award information online as required under the standards.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>A review to verify the minimum contract information by the reviewer could not be done as the web link is showing Error 404, web app is stopped.</p> <p>The contract award information published on the state official website was accessible to the public. The website does not require login parameters to access the information.</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 because the State did not sign the SaaS e-Procurement Framework Contract.</p> <p>(c) The arrangement for e-Procurement implementation when the State did not sign SaaS e-Procurement Framework Contract was the implementation of an e-Procurement Solution called Biddingo software. The State awarded the Contract for E-Procurement System to Kehinde Kassim & Co. on 18th May, 2018 for the sum of ₦118,029,832.83.</p> <p>(d) The Lagos State Government and M/s Kehinde Kassim & Co signed and stamped the agreement on 18/07/2018. The completion period was stated as three (3) months in the letter of Award. The Notification of Award, Contract Agreement and Strategic Project Implementation have been retained.</p>	Satisfactory	
3	Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the	<p>(a) We visited the E-procurement portal and confirmed it has been established in at least three (3) MDAs.</p> <p>(b) A walkthrough of the 5 transactions from each MDA has been done (with at least 2 categories of expenditure from goods, works, or services).</p> <p>(c) The selected transactions followed the procurement lifecycle.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	2020 results DLI is the implementation of e-Publishing/Notification module for contract notice and contract award?	<p>(d) The State has implemented the E-Publishing/Notification module for contract notice and contract award.</p> <p>It was effective during the year 2020. The evidence seen to confirm effectiveness was screenshot on the e-procurement portal and relevant weblink is: r2cow.biddingo.com/bidding/496012</p> <p>(e) The landing page of the weblink requires User ID and Password. The State took the Team through the e-procurement portal and demonstrated the procurement lifecycle that showed evidence of implementation of E-Publishing/Notification Module and the screenshot of each stage of the process has been retained.</p> <p>However, the IVA requires that the e-procurement should be hosted on LASG Official website with non-restricted accessibility to the information thereon and forward evidence of compliance while responding to this report.</p> <p>The State did not respond to IVA's request. However, the state did not achieve this DLR due to some requirements that were not met.</p>		
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.		Previously Achieved in 2019 APA	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 7.2	<p>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</p> <p>AND</p> <p>Annual state debt sustainability analysis published by end of December 2020</p>		Not Achieved	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2020?	<p>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"> • Q2 submitted on (06/08/2020) 37 days, • Q3 submitted on (16/11/2020) 47 days and • Q4 submitted on (08/02/2020) 39 days. $\frac{37+47+39}{3}$ <p>Average = 41 days (5.86 weeks)</p> <p>The SDDRs were submitted within an average of 2 months (41 days).</p>	Satisfactory	
2	Note: Have you reviewed for accuracy			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>and completeness from the DMO:</p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the</p> <p>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 the State Domestic and External Debt Report (SDEDR) with the Lagos State Domestic Debt Report (SDDR) submitted by the State and there were identified discrepancies as shown below:</p> <p>*Debt stock figure - SDEDR: N509,704,242,166</p> <p>*Debt stock figure - SDDR: N508,778,694,537.59</p> <p>Variance: N952,547,628.68</p> <p>(b) An APA issue report was raised to the State requesting clarification for the identified discrepancy. The response of the state is as follows:</p> <p>The difference between the SDEDR and SDDR figures is a result of the shortfall between the actual amount paid by the State and the amount reported by the CBN.</p> <p>A total of N5,420,339,758.67 has been deducted by Zenith bank as an Irrevocable Standing Payment Order (ISPO) from the Lagos State Expenditure Account domiciled with the Bank as against the N4,494,792,129.79 reported by the SDEDR CBN, resulting in the variance of N952,547,628.68 highlighted above.</p> <p>(c) Further Action Taken by IVA</p> <p>The IVA ascertained that the total loan sum is N18,000,000,000 and the following documents were retrieved from the state to validate the claim stated above:</p> <ol style="list-style-type: none"> Amortization Schedule for 2020 CACS Loan repayment schedule Bank Statement from Zenith Bank for 2019 and 2020 	N/A	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>From the review of the bank statement, IVA ascertained that the sum of N5,420,339,758.67 had been repaid to CBN as the Principal amount from 2019 - 2020. Thus, there is an outstanding loan balance of N12,579,660,241.33 as shown in the Q4 SDDR submitted to the Federal DMO.</p> <p>(d) The debt stock figure as reported in the Quarterly State Domestic Debt Reports (SDDR) submitted by the State has been compared with the figures in the State's Audited Financial Statement (AFS), and there were identified discrepancies as shown below:</p> <p>*Debt stock figure - SDDR: N508,778,694,537.59</p> <p>*Debt stock figure –AFS: N464,338,925,000.00</p> <p>Variance: N44,439,769,537.59</p> <p>(f) An APA issue report was raised to the State requesting clarification for the identified discrepancy. The response of the state is as follows:</p> <p>The state domestic debt data reporting is being collated quarterly and reported same to Federal Debt Management Office Abuja (FDMO) while the Audited Financial Statement is an annual event and requires a lot of reconciliation before it is being published, it takes about four to five months after the year-end. Therefore, the above variance occurred due to adjustments made on balances during reconciliation exercise with the banks and creditors in respect of:</p> <ul style="list-style-type: none"> i) Unpaid Interest capitalized as a result of COVID 19 ii) Contractors' arrears balances 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3 New	Has the State published online, the State Debt Sustainability Analysis Reports (SDSAR) by 31 December 2020?	<p>(a) Lagos State published its State Debt Sustainability Report (SDSAR) on the State Official Website.</p> <p>(b) It was published on 16 February 2021.</p> <p>(c) The SDSAR was published after 31 December 2020. Screenshot of the backend was obtained to confirm the date of online publication.</p> <p>(d) The link of the published report is shown below: https://dmo.lagosstate.gov.ng/dsr-dec-20/</p> <p>An APA issue report was raised to the State requesting clarification for the identified discrepancy. The response of the state is as follows:</p> <p>The deadline for the submission of SDDR to FDMO is the 15th of the second month after each quarter, therefore the publication of the end of the year 2020 State Debt Sustainability Report (SDSAR) can only be uploaded on the State Official Website after the report has been verified and certified.</p> <p>Further Action Taken by IVA</p> <p>The IVA retrieved a Quarterly Report submission request letter written to the State by DMO stating the above. The document was obtained and retained.</p>	Unsatisfactory	The State should ensure they publish on the State website the SDSAR by 31 December.
4 New	Does the SDSAR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of	<p>(a) Upon review of the State Debt Sustainability Analysis Report (SDSAR), we noted it did not include the following: 1) medium-term budget forecasts; and 2) an adequate analysis of the debt and fiscal figures in the preceding calendar year.</p>	Unsatisfactory	The State should ensure that the SDSAR includes the following: 1) medium-term

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	the debt portfolio and borrowing options, and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	(b) The SDSAR assessment report does not contain figures. Thus, a comparison could not be done on SDADR and the SDADR assessment report from DMO.		budget forecasts; 2) an adequate analysis of the debt and fiscal figures in the preceding calendar year.
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	<p>Basic Target: Domestic arrears as of end 2019 and end 2020 are reported in an online publicly accessible database, with a verification process in place.</p> <p>Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly accessible database, with a verification process in place</p> <p>AND</p> <p>at least a 5 percent decline in the verified stock of domestic arrears at end 2020 compared to end 2019</p>		<p>Achieved</p> <p>Stretch Target met</p>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	consistent with the state's arrears clearance framework or maintain stock below 5 billion.			
1	Has the State established an Arrears Clearance Framework (ACF)?	<p>(a) The State has established an Arrears Clearance Framework (ACF)</p> <p>(b) We obtained a copy of the ACF from the State</p> <p>(c) The establishment of the ACF occurred on 29th January 2016.</p> <p>(d) The duration of time between the establishment of the ACF which was 29th January 2016 and the 31st December 2020 year end allows adequate time for the implementation of the ACF.</p>	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<p>(a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</p> <p>(b) The evidence seen when reviewing the ACF that shows the ACF contains the two stated requirements includes:</p> <ol style="list-style-type: none"> 1. Planned actions to settle expenditure arrears as detailed in section 2 of the State's ACF (pages 2 – 3) 2. Prioritization of domestic expenditure arrears to be settled as detailed in section 3 of the State's ACF pages 3 - 4. <p>(c) Other documents submitted by the state to confirm the ACF exists included the SARVCR report as well as a web link showing the ACF publication- https://dmo.lagosstate.gov.ng/contractor-arrears/. These were further reviewed to ascertain the existence of the ACF.</p>	Satisfactory	
3	Has the ACF been published on a State official website?	<p>(a) The ACF has been published on a State official website. It was published on the 22nd of September, 2020</p> <p>(b) we have downloaded a copy for validation</p> <p>(c) The weblink: https://dmo.lagosstate.gov.ng/contractors-framework/</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		(d) we obtained a screenshot of the timestamp as evidence to confirm the date of publication		
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The clearance of domestic expenditure arrears is consistent with the ACF. The ACF specifies 10% of the State monthly Internally Generated Revenue (IGR) be set aside for settlement of domestic Arrears. The IGR for the year was N432,132,196,000 and 10% of IGR is N43,213,219,600.00. The total amount of arrears cleared during the year 2020 was N108,706,161,328.78 Therefore the clearance of domestic expenditure arrears was consistent with the ACF	Satisfactory	
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> <ul style="list-style-type: none"> i. The aggregate amount is N49,000,507,756.23 as contractors' arrears. The internal domestic arrears database also includes 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 shows the total domestic arrears stock at the end of each year. ii. The aggregate amount of pension and gratuity arrears is nil iii. The aggregate amount of salary arrears and other staff claims is nil iv. The aggregate number of other types of domestic arrears is nil <p>(c) A verification process is in place for the arrears in the database</p> <p>(d) There is a publicly accessible domestic expenditure arrears database online provided by the State for contractors to verify</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>their arrears balances. The database also includes a web page called 'contractors complaint form for creditors to provide feedback on the debt figures. See link to the database: https://dmo.lagosstate.gov.ng/contractor-arrears/.</p> <p>(e) We conducted sample tests to ascertain the accuracy of the figure in the internal domestic arrears database, by cross-checking with the online publicly accessible arrears database and amounts submitted in the State domestic debt report (SDDR).</p> <p>(f) The state has submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)</p>		
6	Has the State published online elements of the internal domestic arrears database for the FY 2019 and FY 2020 reported on a State official website, which constitutes the online publicly accessible arrears database?	<p>(a) The State has published online the required elements of the Internal Domestic Arrears Database as at end of 2019 and 2020.</p> <p>(b) We compared the aggregate and individual information available on the online publicly accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly accessible arrears database.</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 the claim. If the State Ministry of Finance confirms the validity of this claim, it shall be added to the internal domestic arrears database and included as relevant in the online publicly accessible arrears database.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>(d) We confirmed that the online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State.</p> <p>(e) A contractor complaint form and feedback link exist for contractors with arrears (creditors) to report any omissions to the State. This was tested and feedback was obtained on the site as an auto-reply and an email was also subsequently sent</p> <p>(f) There were no reports of omission of Contractors from the database.</p> <p>(g) The Weblink to the database is: https://dmo.lagosstate.gov.ng/contractor-arrears/</p>		
7.	<p>Does the online publication include?</p> <p>1) the aggregate number 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</p>	<p>(a) The online publication includes the aggregate amounts for Contractor's arrears only, as it was the only domestic arrears the State had.</p> <p>(b) The online publication contains the names of contractors owed N20m and above in arrears and this can be verified by contractors.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																								
	verify that their claims are being accurately reported in the database.																														
8.	<p>Has the State met the following?</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2020 compared to end 2019 meets target and is consistent with the state’s arrears clearance framework.</p> <p>-Stretch target: At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion.</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the</i></p>	<table><tr><td>Aggregate Amount of:</td><td>2020</td><td>2019</td><td>% diff.</td></tr><tr><td>Contractors Arrears</td><td>49,000,507,756.23</td><td>88,631,247,315.80</td><td>44 %</td></tr><tr><td>Pension and Gratuity arrears</td><td></td><td></td><td></td></tr><tr><td>Salary arrears and Staff claims</td><td></td><td></td><td></td></tr><tr><td>Judgement Debt</td><td>1,846,300,174.36</td><td>1,846,300,174.3</td><td>0%</td></tr><tr><td>Other types of domestic expenditure arrears</td><td></td><td></td><td></td></tr></table>				Aggregate Amount of:	2020	2019	% diff.	Contractors Arrears	49,000,507,756.23	88,631,247,315.80	44 %	Pension and Gratuity arrears				Salary arrears and Staff claims				Judgement Debt	1,846,300,174.36	1,846,300,174.3	0%	Other types of domestic expenditure arrears				Satisfactory	
Aggregate Amount of:	2020	2019	% diff.																												
Contractors Arrears	49,000,507,756.23	88,631,247,315.80	44 %																												
Pension and Gratuity arrears																															
Salary arrears and Staff claims																															
Judgement Debt	1,846,300,174.36	1,846,300,174.3	0%																												
Other types of domestic expenditure arrears																															

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
	year, compared to the previous year, expressed in percentage terms.	Total Domestic Arrears	50,846,807,930.59	90,477,547,490.16	44 %		
		(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 Q4 2020 $\frac{\text{₦}50,846,807,930.59 - \text{₦}90,477,547,490.16}{\text{₦}90,477,547,490.16} \times 100$ $= -44\%$ The percentage decline is 44% The State should confirm that ₦108.706bn were actual payments/outflows and not write-offs or adjustments as shown in the SARVCR, by providing scanned copies of the audited payment vouchers used to settle the contractors’ arrears during the year. The State provided copies of the scanned audited payment vouchers which have been retained in file. Source: State internal domestic expenditure arrears database					
DLI 9: Improved Debt Sustainability							
DLR 9.0	Total debt stock at end Dec [2020] as a share of total revenue for FY [2020] meets target: -Basic target: < [150%] -Stretch target: < [125%]					Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																						
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31st December 2020) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2020)?</p> <p>-Basic target:< [150%] -Stretch target: < [125%]</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p>Total Public Debt(N)</p> <table><tr><td></td><td>Financial Statements</td><td>DMO/SDEDR Figures</td></tr><tr><td>Total Domestic Debts</td><td>464,338,925,000.</td><td>509,704,242,165.</td></tr><tr><td>Total External Debts</td><td>543,125,213,000.</td><td>535,870,718,059.</td></tr><tr><td>Total Public Debts</td><td>1,007,464,138,000</td><td>1,045,574,960,224.</td></tr></table> <p>Total annual revenue(N)</p> <table><tr><td>s</td><td>432,132,196,000</td></tr><tr><td>Gross FAAC Allocation</td><td>183,760,169,634</td></tr><tr><td>Grants</td><td>432,132,196,000</td></tr><tr><td>Other Revenues</td><td>19,815,372,000</td></tr><tr><td>Total Revenue</td><td>659,005,387,634</td></tr></table> <p>(a) The State’s domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2020 is as at the end of Q4 2020.</p> <p>We have computed the total debts stock / Revenue percentage for the 2020 year, as follows:</p> <p style="text-align: center;">$\frac{N1,045,574,960,226}{N659,005,387,634} \times 100$</p>		Financial Statements	DMO/SDEDR Figures	Total Domestic Debts	464,338,925,000.	509,704,242,165.	Total External Debts	543,125,213,000.	535,870,718,059.	Total Public Debts	1,007,464,138,000	1,045,574,960,224.	s	432,132,196,000	Gross FAAC Allocation	183,760,169,634	Grants	432,132,196,000	Other Revenues	19,815,372,000	Total Revenue	659,005,387,634	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	464,338,925,000.	509,704,242,165.																								
Total External Debts	543,125,213,000.	535,870,718,059.																								
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Total Revenue	659,005,387,634																									

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>=158.66%</p> <p>Sources:</p> <ol style="list-style-type: none"> 1. For Total Revenue 2020 Audited Financial Statement, Page 26-28 2. For Total Public Debt from DMO* as of December 31, 2020 3. NBS/OAGF (FAAC) <p>*Table 3(i) below holds a breakdown of the Total Debt.</p> <p>(b) The debt stock stated in the Federal DMO State Domestic, and External Debt Report is not the same as the debt stock stated in the audited financial statement.</p> <p>(c) A difference, of N38,110,822,224. exists between the amount stated on Federal DMO State Domestic and External Debt Report (SDEDR) and the audited financial statements as seen below:</p> <p style="padding-left: 40px;">DMO SDEDR: N1,045,574,960,224</p> <p style="padding-left: 40px;">LASG AFS: N1,007,464,138,000</p> <p style="padding-left: 40px;">Variance: N38,110,822,224.00</p> <p>(d) The difference has been communicated to the State for an explanation,</p> <p>(e) The difference has been calculated in value (N38,110,822,224.00) and percentage (3.78%) terms, and 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 LAGOS STATE

LAGOS STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	-
BAIL OUT (SALARIES) (SOURCE CBN)	-
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	-
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	-
STATE BONDS	235,267,830,867.00
COMMERCIAL BANK LOANS	210,084,395,498.00
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	13,505,207,870.00
INFRASTRUCTURE LOANS (CBN FACILITIES)	
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	
JUDGEMENT DEBTS	1,846,300,174.00
GOVT - GOVT DEBTS	
CONTRACTORS' ARREARS	49,000,507,756.00
PENSION AND GRATUITY ARREARS	
SALARY ARREARS AND OTHER CLAIMS	
OTHER DEBTS	
TOTAL DOMESTIC DEBT (TDD)	509,704,242,166.00
TOTAL EXTERNAL DEBT (TED)	535,870,718,059.00
TOTAL PUBLIC DEBT (TED+TDD)	1,045,574,960,224.00

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

TEMPLATE: OPTION A	NGN
Item	2020
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	183,760,169,634
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	49,521,711,389
1.1.1 Gross statutory allocation	43,940,185,612
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	5,581,525,777
1.2 VAT	134,238,458,245
2. Internally Generated Revenues (IGR) - Adjusted	432,132,196,000
3. Grants (internal and external)	23,297,650,000
4A. Other revenues (4.1 + 4.2 + 4.3)	19,815,372,000
4.1 Investment Income (e.g., dividends)	715,559,000
4.2 Interest Earned	2,824,977,000
4.3 Miscellaneous	16,274,836,000
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	659,005,387,634

4. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	NONE	The State provided scanned copies of its payments to contractors.
2		
3		
4		