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

2020 Annual Performance Assessment (APA) Report

OYO 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 Oyo 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 Oyo State and shows areas where the State was able to achieve results. Oyo State achieved 9 **(**Nine**)** DLRs out of 15 DLRs applicable to the 2020 APA out of which 3 (Three) DLRs were achieved in 2018 and 2019.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY20 quarterly budget implementation reports for Q2, Q3, and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		Prepare a Budget implementation report against **revenue** appropriation
	DLR 1.2: FY20 deviation for total amended budget expenditure is < 15%	Achieved	
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.	Achieved	
	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	Achieved	
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 TSA covered a 60.5% of the Government finances.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	**2019 APA**	
	DLR 4.2: 2020-2019 annual nominal IGR growth rate meets target: i.e., 2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection	Achieved	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
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		Biometrics registrations were done for 56% of civil servants and pensioners on its 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	**2018 APA**	
	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. 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 **AND** 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		Online publication of contract award information is not done timely.
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**	
	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 **AND** Annual State debt sustainability analysis published by end of December 2020		• The Annual State Debt Sustainability Analysis does not include: (i) Medium Term Budget forecast and (ii) a detailed description of the State's debt portfolio and borrowing options.

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 AND end 2020 reported in an online publicly accessible database, with a verification process in place. Stretch Target: 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.		● State Internal Domestic Arrears Database does not have a verification process in place. ● The percentage decline in the verified stock of domestic arrears was 2% which is less than 5%, and the stock of arrears was above 5 billion
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%.	**Basic Target Met**	

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 1.1: Budget implementation reports should include, at a minimum, the approved original and revised budget appropriation for the year for each organizational unit (MDAs), and for each of the core economic classifications of expenditure (Personnel, Overheads, Capital, and other expenditures). It should also state balances against each of the revenue and expenditure appropriations. The balances should also be provided on a consolidated basis across the four (4) expenditure classifications.

2. DLR 3.0: Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.

3. DLR 5.1: Biometric data of all the State's civil servants and pensioners is captured and linked with the State's payroll to reduce fraud and identified ghost workers taken off the payroll.

4. DLR 6.2: Contract award information, above the set threshold, should be published online every month in OCDS format on the State's website.

5. DLR 7.2: The Annual State Debt Sustainability Analysis includes: (i) a medium-term budget forecast and (ii) a detailed description of the State's debt portfolio and borrowing options.

6. DLR 8: Internal domestic arrears database with relevant balances is placed online with a verification process in place. Domestic arrears are cleared year on year to achieve total arrears of less than N5bn as soon as possible.

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 and had some input/support from the Debt Management Office (DMO) for Debt Management related DLIs to review the returns in place at 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 (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 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
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**		**Not 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?	The Quarterly budget implementation reports were posted online on: **Quarter 1:** https://old.oyostate.gov.ng/wp-content/uploads/2020/04/1st-QTR-2020-BUDGET-ANALYSIS.pdf **Quarter 2:** https://old.oyostate.gov.ng/wp-content/uploads/2020/07/2ND-QTR-2020-Budget-Analysis.pdf	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Quarter 3: https://old.oyostate.gov.ng/wp-content/uploads/2020/10/3RD-QTR-2020-INITIAL-BUDGET-INITIAL-APPROVED-BUDGET.pdf **Quarter 4:** https://budget.oyostate.gov.ng/wp-content/uploads/2021/01/SUMM-PERSONNEL-BY-MDAS-2.pdf ● Q1 – (29/April/2020)- 29 days ● Q2 – (7/July/2020) - 7 days ● Q3 – (12/Oct/2020) - 12 days ● Q4 – (6/Jan/2021) - 5 days Average days (weeks) for the online publication was computed based on the last 3 quarters, as below: $$\frac{7+12+5}{3}$$ Average = 8 days (1 week, 1 day) We downloaded the quarterly Budget Implementation Reports for all four quarters for the year 2020, obtained and retained evidence of the timestamp of the publications.		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units	From our review of the Quarterly Budget Implementation reports downloaded from the State's website (see weblinks above) we observed the following: a) Only Q1 and Q2 Budget Implementation Reports did not include an approved budget appropriation for the year against	Unsatisfactory	The state should prepare Budget implementation reports against revenue appropriations with balances provided on a consolidated basis across

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	(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.	each organizational unit (MDAs) of the core economic classification of expenditures. Furthermore, Q3 and Q4 reports did not include the revised budget. However, the State provided an updated cumulative Budget Implementation Report (uploaded on 21st of June 2021, with the weblink: https://budget.oyostate.gov.ng/download/updated-fourth-quarter-initial-reviewed-budget-2020/ which included the approved original budget for each of the quarter against each organizational unit (MDA) for each of the core economic classifications. b) The Q1, Q2, Q3, and Q4 Budget Implementation Reports included the actual expenditures (but not attributed to each MDA in Q1 and Q2) as well as cumulative expenditures for the year to date c) The Budget Implementation Reports for Q1, Q2, Q3, and Q4 (previously uploaded on the State official website) did not include the balances against each of the revenue and expenditure appropriations. d) The State has a revised budget e) The updated consolidated Budget Implementation Reports submitted, shows both the approved initial budget and the approved amended budget. This is based on the explanation of the State that "The column tagged with 'Approved budget' was the Reviewed /Amended Budget 2020" and there was an addendum to address this: https://budget.oyostate.gov.ng/download/updated-fourth-quarter-initial-reviewed-budget-2020/		the four (4) expenditure classifications

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Only the Q3, Q4 and consolidated report (addendum) 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, the balances against each of the expenditure appropriations. None of the reports included revenue appropriation across each quarter.		
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, only Q3 and Q4 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.

Upon review of the State's Budget Performance reports, it did not state the actual expenditures for each quarter attributed **t**o each MDA and each expenditure classification as well as the cumulative expenditures for the year to date in Q1 and Q2. However, the State provided a consolidated Budget Performance Report (as an addendum) that showed 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

https://budget.oyostate.gov.ng/download/updated-fourth-quarter-initial-reviewed-budget-2020/ | Unsatisfactory | The State should prepare a Budget implementation and state the actual expenditures for each quarter attributed **t**o each MDA and each expenditure classification as well as the cumulative expenditures for the year to date. |
| 4 | Does the report state balances against each of the revenue and expenditure appropriations with balances provided on a | Upon review, the State's Budget Performance reports stated the balances against each 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 | Unsatisfactory | The State should prepare a Budget implementation report against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across |

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?	to any of the other three (3) expenditure classifications in only Q3 and Q4. The Q3 and Q4 reports did not include balances against the revenue appropriation.		the four (4) expenditure classifications
DLR 1.2	**FY [2020] deviation from total amended budget expenditure is less than 15%**		**Achieved**	
1	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?	The State computed the budget deviation for 2020 to be 25% The IVA computed the budget deviation for this APA year. See the computation below: |	Total Amended Budget	Actual
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Capital Exp (page 41)	65,182,353,610.00	47,282,977,724.77
Rec. Exp (page 38)	108,905,099,631.46	102,037,331,182.76		Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
Is the expenditure outturn deviation computed less than 15%			

Total	174,087452,241.46	149,320,308,907.53

$$\frac{\text{₦174,087452,241.46} - \text{₦149,320,308,907.53}}{\text{₦174,087452,241.46}} \times 100$$

= 14.22%

The budget performance deviation is 14.22%

Sources:

Total Amended Budget: Appropriation Law 2020 (pg. 1108)

Actual Outturn: FY2020 Audited Financial Statement (pg. 285)

Note: The Financial Statements were prepared using International Public Sector Accounting Standard (IPSAS) cash basis. Thus, the figure in the Accountant General's Report is in agreement with what is recorded in the Audited Financial Report.

The IVA recalculated the capital expenditure using the extracted expenditure from Cashflow Statements which were added to the actual Recurrent Expenditure. The adjusted actual Capital Expenditure is therefore as stated below:

Proceeds from aid and grants   ₦3,648,946,285.20
Proceeds from external loan   ₦754,749,862.79
Net cash flow from financing activities   ₦7,951,432,934.48
Net cash flow from investment activities -₦34,927,848,642.30

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		₦47,282,977,724.77		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	**Citizens' inputs from formal public consultations are published online, along with the proposed FY [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?	a. The LGAs in attendance were: Ibadan North West LGA, Ibadan southeast LGA, Orelope, Saki West, Saki East, Irepo, and Olorunsogo. b. Mr. Jide Bamgbose (Justice, Development and Peace Commission (JDPC) was the Civil Society Organizations (CSOs) representative in attendance. c. The sources of information from which our conclusions were drawn are minutes of various consultation meetings, attendance lists, and pictures. d. The consultation was held on 17th September 2020 in Ogunlana Hall, International Conference Centre; University of Ibadan. e. The numbers of attendees called to confirm their attendance at the public consultation were 10. f. The budget was drafted on 23rd November 2020 and the consultation was held on 17th September 2020. g. The date of the consultation was before the date of the draft budget therefore, the date of the consultation came first. h. The publication of the proposed budget was done before the 31st January 2021. It was done on 31st December 2020	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		https://budget.oyostate.gov.ng/wp-content/uploads/2020/12/2021-DRAFT-EXPENDITURE-FIGURE.pdf i. The weblink for the publication of the proposed budget is: budget.oyostate.gov.ng/wp-content/uploads/2020/12/Signed-Budget.pdf		
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?	a. The CSOs representative in attendance was Mr. Jide Bamgbose (Justice, Development and Peace Commission (JDPC), and a copy of the signed minutes has been retained on file. b. The title of the minutes of the meeting is "Oyo State Stakeholders Consultation on the Year 2021 budget" for Ibadan Zone 1 and the date of the Minutes was 17th September 2020. c. The signatory represented the Justice, Development, and Peace Commission (JDPC). d. The weblink to the publication is https://budget.oyostate.gov.ng/wp-content/uploads/2020/12/REPORT-OF-THE-OYO-STATE-GOVERNMENT-STAKEHOLDERS-ON-2021-BUDGET.pdf. e. The date of publication of the minutes of public consultation and the Proposed Annual budget 2021 was 30th December, 2020 which is before the deadline of 31st January 2021.	Satisfactory	
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**		**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?	a. The IVA carried out a review on all required documents, physical or virtual video records/ pictures with a list of attendees (with names, organizations, phone numbers). b. The Amended Budget and the evidence of the dissemination events have been downloaded c. The dissemination was done virtually on the 6th of July, 2020. d. The evidence of the dissemination event was published online before the September 30th, 2020 deadline. The evidence of dissemination published online by the State is the minutes of the meeting and attendance register, and the IVA retained copies on file. e. The evidence of the dissemination event was published in the same location along with the Amended FY20 budget. The weblink is; https://budget.oyostate.gov.ng/resources/ Further review showed that the State is yet to provide weblink to the evidence of dissemination events to explain amendments to the FY2020 State budget 2020. Therefore, the State is required to forward this weblink while responding to this report, otherwise, it stands not to achieve this DLR. f. The date of publication of the evidence of the dissemination events was 31st July 2020. The evidence obtained to confirm the dates of online publication is a screenshot from the website, as well as a test conducted from the backend of the IT service provider. g. The weblink for the publication is https://old.oyostate.gov.ng/wp-	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	content/uploads/2020/07/MINUTES-OF-THE-CITIZENS.pdf.		
	In response to the IVA request for further information as stated above, the State responded thus:		
	"**DLR 2.2** We noted your observation and conclusion on this DLR which state that the State could achieved the DLR Subject to provision of weblink to dissemination events		
	Kindly note that, the dissemination event for the Year 2020 reviewed Budget was published in the official website of the State alongside with other necessary uploads as regard the DLR via the links below:		
	APPROVED BUDGET 2020: https://old.oyostate.gov.ng/ministry-of-budget-and-economic-planning/#1579769992460-f7648b55-6a28		
	REVIEWED BUDGET 2020: https://old.oyostate.gov.ng/ministry-of-budget-and-economic-planning/#1596041799424-9ad114fc-3596		
	FIRST QUARTER 2020: https://old.oyostate.gov.ng/wp-content/uploads/2020/05/1ST-QTR-2020-INITIAL-BUDGET-UPDATED-APPROVED-BUDGET.pdf		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		SECOND QUARTER 2020:		
		https://old.oyostate.gov.ng/wp-content/uploads/2020/08/2ND-QTR-2020-Budget-Analysis.pdf		
		THIRD QUARTER 2020:		
		https://budget.oyostate.gov.ng/download/updated-third-quarter-initial-reviewed-budget-2020/		
		FOURTH QUARTER:		
		https://budget.oyostate.gov.ng/download/updated-fourth-quarter-initial-reviewed-budget-2020/		
		YEAR 2020 REVIEWED APPROPRIATION LAW:		
		https://old.oyostate.gov.ng/wp-content/uploads/2020/07/2020-Review-Appropriation-Law-for-Consolidated-Recurrent-and-Capital-Expenditure.pdf		
		https://old.oyostate.gov.ng/wp-content/uploads/2020/07/2020-Review-Appropriation-Law-for-Consolidated-Revenue-Fund.pdf		
		EVIDENCE OF CITIZEN ENGAGEMENT :		
		https://old.oyostate.gov.ng/wp-content/uploads/2020/07/MINUTES-OF-THE-CITIZENS.pdf		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		https://old.oyostate.gov.ng/wp-content/uploads/2020/07/MINUTES-OF-THE-CITIZENS.pdf" The State further submitted photo evidence of disemination event via the weblink below: https://old.oyostate.gov.ng/ministry-of-budget-and-economic-planning/#1597753730746-d5cf5c99-cad9 In view of the submissions from the State, the IVA has reviewed the documents and accepted the submissions from the State.		
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?	a. The Citizens Budget based on the Amended Budget (2020) was published on 30th September 2020. The weblink is; https://old.oyostate.gov.ng/wp-content/uploads/2020/09/Citizens-Budget-Amended-2020.pdf b. A comparison of the Amended Budget 2020 with the Citizens Budget was done and there were no observed discrepancies. c. 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: i. The citizens' budget has a simple explanation of the annual amended budget/citizen's budget. ii. The sources of revenues as highlighted in the citizens' budget are Capital Receipt: 30BN State Board of Internal Revenue: N33.8BN Loan: N31BN, MDA'S: N26.6BN Others Sources: N1.02BN, Value Added Tax: N29BN. See page 4 of the Amended 2020 citizens budget for Oyo State. iii. The citizens' budget did not show the sources of domestic and foreign grants, domestic loans, and other financing sources.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		iii. Total expenditure by economic classification: Recurrent Expenditure: N108.9bn Capital Expenditure: N65.1bn. See pages 6-8 of the Amended 2020 citizens budget for Oyo State. iv. The total revenue stated in the citizen's budget is N143BN, total expenditure is N174BN, budget deficit stated in the citizens' budget is about N31.3BN. v. There was a disclosure of a Budget deficit of N31.3bn, see page 2-3 of the Amended 2020 citizens budget for Oyo State. It will be financed through loans. vi. Sectoral Allocation (MDAs by MDAs) was done on the summarized citizens' budget of Oyo state. See pages 8-13 of the Amended 2020 citizens budget for Oyo State. vii. Top Projects to be financed: Construction of Moniya-Ijaye-Iseyin Road: N1.98BN Apete-Awotan-Akufo Junction Road(12.0km): N1 BN, Dualization of Saki Township along Oke-Ogun Poly Ilesha Baruba Road: N450M, 2MW Gas Plant for Eleyele Water Supply Scheme: N200M and Rehabilitation/Repair of Public Primary Schools: N437.5M. See pages 14-15 of the Amended 2020 citizens budget for Oyo State. d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included. e) The IVA can confirm the citizen's budget was done in the suggested format.		
3	Is the Citizens Budget a comprehensible (to citizens) summary of the amended FY20 state budget?	a) The Citizens Budget included an explanation of the key changes between the Original FY20 Budget and the Amended Budget. It also reflects the Amended 2020 budget. b) The Citizens Budget included Data on reallocations and adjusted spending priorities.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The IVA confirmed that the amended FY20 state budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.		

4	Does the State website have functional feedback and response online mechanisms?	a) The State has established a functional feedback and response online mechanism on its website.
		b) The type of feedback mechanism established on the State website is an online feedback form.
		c) The State's feedback mechanism provides at the minimum:
		  (i) Acknowledgement of receipt of comments/feedbacks from citizens
		  (ii) State's responses to comments/feedbacks
		  (iii) Display of timeframe and the State government's contact details.
		d) To ascertain the functionality of the feedback mechanism, the IVA sent out a request on the feedback mechanism platform of the state and waited to get a response. The expected response was eventually received by the IVA and screenshots were obtained as evidence.
		e) The IVA observed a demonstration carried out by the State Ministry of Budget and Planning to provide further evidence to demonstrate how the State has responded to feedback submitted online.
		f) From the above assessments, the IVA can conclude that the State's feedback mechanism is functional.
		g) The weblink for the feedback mechanism is: https://oyostate.gov.ng/oyobudget/
			Satisfactory	

DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 3.0	**Improved cash management and reduced revenue leakages through the implementation of State TSA**		**Not Achieved**	

1	Has the State established a functional State-level TSA?	a) The State has established a functional state-level TSA.
		b) The State operates one account that covers the following:
		   ● IGR Main Account:
		   ● FAAC Account:
		   ● VAT Account:
		
		Account Name: OYO STATE LEAD REMITTANCE ACCOUNT
		Bank Name: First Bank
		Account Number: 2031669775
			Satisfactory	

2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.	The State has a cash management strategy. a) The name of the document is Cash Management Strategy/Framework. b) The Strategy was produced on 1st December 2019 and signed by the Governor on 3rd December 2019. c) The Strategy includes the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments (Ref: Instruments for Cash management strategy - Page 7, No. 3) d) It was not stated explicitly in the cash management strategy document on how cash balances will be swept from other banks to its lead TSA bank i.e., either daily, weekly, or monthly. However, the State claims to do sweeping of cash balances from its other revenue banks to	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		its lead bank weekly and evidence of weekly remittance to the TSA Bank account was provided. e) The state has implemented a process described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds (A cash plan was made available to the IVA).		
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	The State has a computer application where it can view the cash balances in the bank account(s). a) The computer application name is 'XpressView' and the producer of the application is 'Xpress Payment Solution Ltd'. b) The system is in line with the approved cash management strategy. c) The application was deployed in February 2017.	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.	a) The IVA team visited 3 MDAs Health, Education, and Public Works, interviews were done with relevant govt officials in the MDAs visited, the checks conducted at 3 MDAs confirmed that the state has a functional TSA. b) The details of Oyo State TSA: **Account Name**: OYO STATE LEAD REMITTANCE ACCOUNT **Bank Name**: First Bank **Account Number**: 2031669775 c) All government monies go through this account. d) All government monies in other banks are swept weekly into the Oyo state TSA account. e) The TSA bank Statement was obtained.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
5	Does the TSA cover a minimum of 70% of the State Government's finances?	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. See the computation below: |	Total Inflows	Total Outflows
---	---	---
TSA Bank Statement	78,886,287,516.35	78,627,650,737.07
Government Finances*	115,331,854,252.93	149,320,308,907.53
Percentage	68%	53% | The average in percentage computation is: $$\frac{68\% + 53\%}{2}$$ **= 60.5%** The TSA covered 60.5% of the State's finances. *Sources: 2020 Audited Financial Statement (Cash Flow Statement) "Statement 1-4" in DLR 4.2 folder online **and** 2020 TSA Statement from "Oyo State FirstBank TSA Account" Note: The State is to confirm whether there are any payments deducted at source which will mean the cashflows in the AFS are not reflective of the actual flows	Unsatisfactory	The State's TSA should cover all of the Government Finances.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		through the State TSA. (ISPOs deducted from FAAC Allocations etc)		
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**		**Previously Achieved in 2019 APA**	
DLR 4.2	**2020 nominal IGR collection is equal to or higher than the 2019 nominal IGR collection**		**Achieved** (Stretch target met)	
1	Has the 2020-2019 annual nominal IGR growth rate met the basic or stretch targets?	a. The accounting basis used for revenue reporting in 2019 and 2020 from the Audited Financial Statements of the state were both IPSAS Cash.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
Basic Target: N/A **Stretch Target:** equal to or higher than the 2019 nominal IGR collection	b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below:		

b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below:

REPORTING TEMPLATE: OPTION B	NGN		% GROWTH
Item	2019	2020	
1. Reported IGR in AFS (Before Adjustments)	37,493,422,201.94	38,042,733,036.47	1%
2. INVALID items to be deducted IF reported as part of IGR	10,992,013,705.20	9,074,067,904.22	
Paris club refund	-	-	
Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)	10,907,608,628.24	40,556,893.30	

Disbursement Linked Indicators (DLIs) and Tests	Findings				Conclusion	Recommendations
	Sale of govt property, privatization proceeds	-	-			
	Direct Payment to UBA FAAC A/C (FED MDA PAYE)	-	8,963,383,227.58			
	Investment Income (e.g. dividends)	82,445,389.25	69,624,597.70			
	Interest Earned	1,959,687.71	503,185.64			
	Miscellaneous	-	-			
	3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)					

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	**26,501,408,496. 74**	**28,968,665,13 2.25**	**9%**		

$$\frac{₦26,501,408,496.74 - ₦28,968,665,132.25}{₦26,501,408,496.74} \times 100$$

$$=9\%$$

The annual nominal growth is **9%** when the 2020 nominal IGR collection is compared with the value for 2019.

Sources: 2020 Audited Financial Statement (Cash Flow Statement) "Statement 1-4" in DLR 4.2 folder online **and** 2020 | | |

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**		**Not Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	identified ghost workers taken off the payroll			
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?	The State commenced Biometrics capture for civil servants in 2017. a. It was outsourced to Soft Alliance and Resources Limited. b. The total number of civil servants is 23,954. c. The total number of pensioners is 17,673. d. The total number of staff on the State Nominal roll is 41,627 and Payroll is 40,206. e. The State has captured the biometrics data of its civil servants only (23,368). f. The documents obtained as evidence are payment reports, screenshots from the payroll system, and pensioners verification reports. Calculation of the percentage of civil servants and pensioners with biometrics capture equals: $$\frac{23{,}368 + 0}{23{,}954 + 17{,}673} \times 100$$ = 56% The State had captured 56% of the State's civil servants and pensioners on its payroll. Source: Oyo State Pensions Board Reconciliation/Analysis of Payment of Pensions for December 2020 Report on 2020 SFTAS DLI5.2 Ministry of Finance Details of Oyo State Staff Strength as at 31st December 2020	Unsatisfactory	The State should ensure the biometric safeguards in place within the payroll cover all current civil servants and pensioners. The state should ensure that biometric data is fully linked with payroll for civil servants and pensioners.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	a) The State commenced Biometrics capture for civil servants in 2017. b) The state has linked the biometrics data for 23,368 civil servants to the payroll. However, no pensioner biometrics was linked to the payroll as at 31st December 2020. c) There were no ghost workers identified during the recent validation exercise the State carried out for pensioners; some death cases were discovered and some pensioners who did not show up for this exercise were taken out of the pensioner payroll. d) The money saved from the death cases and those pensioners who did not show up for the validation exercise is ₦269,395,721.42 + ₦1,923,121.08 = ₦271,318,842.5 e) The in-year changes to the civil servant and pensioner payrolls (as a result of starters, leavers, deaths, etc.) are captured by the biometric exercise. f) For civil servants, the procedure in place is the performance of a periodic payroll clean-up and migration from staff payroll to pension upon retirement and staff screening to validate the staff records. For pensioners, there is a periodic verification process to ascertain that only valid pensioners are maintained on the payroll. (Reports on verification exercise for civil servants and pensioners were obtained). g) There were changes to the civil servant and pensioner payrolls during the fiscal year (as a result of starters, leavers, deaths, etc.). h) These changes were captured during the biometric exercise. For civil servants, the procedure in place is that there is periodic payroll clean-up and migration from staff	Unsatisfactory	The State should ensure the biometric safeguards in place within the payroll cover all current civil servants and pensioners. In addition, the data from the State's biometric exercise should be linked with payroll for all civil servants and pensioners.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		payroll to pension upon retirement and staff screening to validate the staff records. For pensioners, there is a periodic verification process.		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a) There were no ghost workers identified because of the long use of biometrics and BVN for civil servants. b) There was no issue of identified ghost workers. c) Workers with irregular data or who fail to show up for verification are removed from the payroll immediately. d) There were no ghost workers identified. e) No ghost workers identified in the year under review. f) There were no ghost workers.	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**	
1	Has the State linked the Bank Verification Number data to 90% of its current Civil Servants and pensioners on the State payroll?	a) The State conducted BVN verification around February 2018. b) The exercise was outsourced outsourced to Soft Alliance and Resources Limited. c) The total number of civil servants is 23,954. d) The total number of pensioners is 17,673. e) The total number of staff on the State Nominal roll is 41,627. f) The BVN data of both civil servants and pensioners have been linked to the payroll. g) The documents obtained to serve as evidence are payment reports, screenshots from the system, and pensioners verification reports.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Calculation of the percentage of BVN data linked to payroll equals: $$\frac{40,206}{23,954 + 17,673} \times 100$$ $$= 96.5\%$$ The State has linked 96.5 % of the State's civil servants and pensioners' BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	a. The number of Staff with BVN data is 40,206 and without BVN data is 1421. b. There was no identified payroll fraud in the year under review.	Satisfactory	
DLI 6: Improved Procurement Practices for **Increased Transparency and Value for Money**				
DLR 6.1	**Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget**		**Previously Achieved** **in 2018 APA**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 6.2	**Basic Target: 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.** **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** **AND** **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.**		**Not Achieved**	The state should publish contract award information online in a timely manner as required under the standards.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

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)?	a. IVA obtained a schedule of all contracts awarded for FY 2020 from the state Bureau of Public Procurement.
		
		b. The data published on the state official website are in line with the Open Contracting Data Standards (OCDS).
		
		c. The contracts awarded above the threshold of N5m for the period were published on the state website monthly. The dates of publication are as follows: February (4th March 2020), March (3rd April 2020), April (6th May, 2020), May (3rd June, 2020), June (4th July, 2020), July (3rd August, 2020), September (8th October, 2020), November (16th December 2020) and contracts awarded in Dec 2020 were published on 31st December 2020. The contracts were also published on the OCDS website on a rolling basis.
		
		d. The sources of publication are as follows:
		  i. Contracts awarded between February to September 2020 was published on the Old Oyo State website (Link: http://old.oyostate.gov.ng/bureau-of-public-procurement/#1596470075474-e07f59c2-6692).
		  ii. Contracts awarded in November were uploaded on https://oyostate.gov.ng/download/list-of-awarded-contracts-for-month-of-november-2020/ and
		  iii. Contracts awarded in December 2020 were uploaded on https://oyostate.gov.ng/download/list-of-awarded-contracts-for-month-of-december-2020/.
		  iv. A list of contracts was also published on the state's OCDS website (http://ocdsoyo.oyostate.gov.ng/tables.php) on a rolling basis capturing contracts awarded within the period.
		
		IVA compared the schedule of contracts obtained from the state Bureau of Public Procurement and the contracts published on the state official websites. The IVA carried out
			Unsatisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		further tests to verify if the contracts published were in OCDS format. The findings from these tests are: i. The information published on contracts awarded were in line with OCDS format ii. There were discrepancies between the schedule of contracts obtained and the contracts awarded published online by the state. The records on the OCDS portal are different from the hardcopy schedule of contracts provided by the state. Data on contracts awarded in February and March 2020 were captured on the OCDS portal but not available in the schedule of contracts from the BPP. iii. There were also inconsistencies in the number of contracts published on the state official website and the schedule of contracts provided by the BPP. A sum of 44 contracts was published on the state website while the hard copy schedule of contracts had a total of 164 contracts. An APA issue was raised to this effect and the state responded as follows: "It was noted that the printed schedule of awards which had been sighted online and confirmed complete on the OCDS portal had omitted awards for February and March 2020 in the printed copies. Please see the attached documents for these portions of the publication" The IVA sighted the documents and reconciled the contract awards in the state's OCDS portal and the schedule of contracts and found them satisfactory. Thus, the comprehensive schedule of contracts was published on the state's OCDS portal and not on the monthly contracts' documents uploaded on the state's website. The hardcopy schedule of contracts was obtained and retained as part of the assessment files.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		e. The minimum contract award information that was published included the project name, awarding institution, award date, name of the contractor, and contract amount. f. All the items required were published. g. the contract award information is published on the state official website https://oyostate.gov.ng/download/contracts-awarded-in-2020so-far/ and http://ocdsoyo.oyostate.gov.ng/tables.php. The contract award information is published on the state official website, and it is accessible to the public. A separate excel schedule titled 'Copy of Oyo state 2020 contract awarded OCDS format' was provided to the IVA. The schedule holds 195 contracts out of which 182 have tender values included and remainder are on record at nil value. All 182 contracts hold values well above the threshold of N5m set by the State for the online publication of awards. It is not clear what this schedule represents or whether it was published online. A link to where the State has published the full list of 195 contracts awarded in 2020 online should be provided and evidence of the date of publication online (timestamp etc) should be provided to the IVA. Also, the IVA noted that the portal shows a total of 195 contracts with a total value of approx. N148.7bn. This is at variance with a Capex outturn of N47.2bn for 2020. Note the DLR requires the publication of all contracts above the set threshold. Hence, the State is required to provide a copy of the contract register which includes all capital expenditure for the year 2020 while giving response to this report.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		In response to the above request by the IVA, the State responded thus:		
		"**DLR. 6.2** We have verified your conclusion on the DLR and the information required for the Year 2020 contract Awards is hereby attached for your reference and necessary consideration. We hope this will meet your needs"		
		The IVA reviewed the submission and noted that as of May 2022 the weblink had zero contracts for 2020. As at the current review in June 2022, it has over 100 contracts for 2020.		
		This indicates the State is aware the portal is incomplete and taking steps to publish additional contracts. This is a good outcome for transparency. The State however clearly did not achieve the result within the prescribed time frame of 31st December 2020.		
2 New	Had the State signed up to the SaaS e-Procurement Framework Contract as at 31 Dec 2020?	a. The state has not signed the SaaS e-Procurement Framework Contract. However, it signed a contract agreement with Soft Solutions Concept Limited to develop an e-procurement system and framework. b. A copy of the contract agreement between the Oyo state government and Soft Solutions Concept Limited was obtained. c. The state signed the framework contract with Soft Solutions Concept on the 6th of January, 2020, which is before the due date for signing the e-Procurement framework contract. Note: The contract agreement between Oyo State Government and Soft Solutions Concept Ltd was for collection of Vendor registration and related fees. Part of the responsibilities of the consultants as detailed in Section 3, Page 5 of the document was	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		to "digitize the procurement system to streamline, optimize and support the state's public procurement system through the development of an e-procurement system and framework". Thus, this contract also covered the development of an e-procurement system and framework as indicated in the consultants responsibilities.		
3 New	Has the State implemented e-procurement in at least 3 MDAs (including Education, Health, and Public Works) the E-Procurement for the 2020 results DLI is the implementation of e-Publishing/Notification module for contract notice and contract award?	a. The state has not implemented e-procurement in at least 3 MDAs (Education, Health, and Public Works) as at FY 2020. b. A walkthrough of 5 transactions from each MDA was not carried out as e-procurement was not implemented. c. We could not ascertain if the transactions followed the life cycle as e-procurement was not implemented in MDAs in FY 2020. d. The state did not implement the E-Publishing/Notification module for contract notice and contract award in FY 2020. IVA confirmed that e-procurement was not effective during the year 2020.	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).
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**		**Previously Achieved in 2019 APA**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	debt, and 3) fiscal and debt rules/limits.			
DLR 7.2	**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** **AND** **Annual state debt sustainability analysis published by end of December 2020**		**Not Achieved**	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average two months after the end of the quarter in 2020?	a) The state submitted quarterly State Domestic Debt Reports (SDDR) (final versions) to the DMO on an average of 2 months after the end of each quarter. We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows: • Q2 submitted on (14th August, 2020) - 45 days after the quarter-end • Q3 submitted on (13th November, 2020), - 44 days after the quarter-end and • Q4 submitted on (12th February, 2021). - 43 days after the quarter-end	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		$$\frac{45+44+43}{3}$$ = 44 days (6.3 weeks) The SDDRs were submitted within an average of 1.6 months.		
2	**Note: Have you reviewed for accuracy and completeness from the DMO:** The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.	a) IVA has obtained the State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents b) We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with Oyo State Debt Domestic Report along with all underlying data and both did not show the same amount. The report was supported with the DMO's templates and guidelines. There was a discrepancy of ₦15,515,509,035.41 between the State Domestic and External Debt Report (SDEDR) Quarterly and the State Domestic Debt Reports (SDDR) A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data. c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State have been compared with the State Audited Financial Statement. d) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement	Not Applicable	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

	e) There were discrepancies noted during the comparison.
	SDDR Figure - ₦94,496,184,529.59
	AFS Figure - ₦97,112,549,155.06 (See note 19-26; pages 40-44 of the uploaded 2020 AFS of Oyo State).
	Difference - ₦2,616,364,625.47
	f) An APA issue was raised for the State to explain the discrepancy. Awaiting the State's response.
	g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR).
	h) The debt stock figures reported in the SDEDR, have been compared with those of the SDDR submissions by each state.
	i) There were errors or inconsistencies.
	   i. SDEDR (DMO) Domestic Figure - ₦110,011,693,565.00
	   ii. SDDR (State) Figure - ₦94,496,184,529.59
	   iii. Difference - ₦15,515,509,035.41
	
	j) An APA issue report was raised for the State to explain the inconsistency and the State responded that "the State Domestic Debt Record as at the 31st of December, 2020 in the sum of ₦94,496,184,529.59 is consonance in with the Domestic Debt Data on the Debt Management Office as evident on https://www.dmo.gov.ng/debt-profile/sub-national-debts/3493-states-and-fct-domestic-debt-stock-as-at-december-31-2020/file.
	
	In the same vein, the External Debt Stock of the State as at 31st December, 2020 is the sum of $83,700,232.50 which is equivalent to the sum of N31,806,088,350.97 as evident in the document hereto attached. To this end, the total debt stock of the State comprising of Domestic and External is the sum of N126,302,272,880.56 comprising of ₦94, 496,184,529.59 domestic and ₦31,806,088,350.97 external debts. For clarification and perhaps emphasis, the Nigeria Governor's		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Forum in conjunction with the Central Bank of Nigeria, Federal Ministry of Finance, and Debt Management Office did a reconciliation exercise of the Domestic Debt Stock of Sub-national as at the end of 2020. There was a great discrepancy between the reconciled figure and the domestic debt stock the State submitted to the Debt Management Office. It might interest you to note that the Still is still awaiting the response of the Nigeria Governor's Forum after the State had submitted her positions about six months ago. The position of the State is hereto attached as Annex 2.		
		The Domestic Debt Figure published on the Audited Financial Report of 2020 was made in error and was not thoroughly vetted before publication. Annex 1 is the External loan and Annex 2 is the State Response to Reconciliation of Nigerian Governor's Forum, Central bank of Nigeria, Federal Ministry of Finance and Debt Management Office Abuja hereto attached".		
		IVA has reviewed the State's response on the discrepancy of ₦15,515,509,035.41. However, conclusions reached in this report are based on the amended DMO data.		
3 New	Has the State published online the State Debt Sustainability Analysis Reports (SDSAR) by 31 December 2020?	a) The State Debt Sustainability Analysis Report (SDSAR) was published on the State's official website. b) The date of publication was 31 December 2020 c) Yes, the SDSAR was published by 31 December 2020. The evidence of timestamp has been obtained and screenshots taken from the IT back end of the State's website showing the date of online publication. https://budget.oyostate.gov.ng/wp-content/uploads/2020/12/2020-REPORT-OF-THE-OYO-STATE-DEBT-SUSTAINABILITY-ANALYSIS-S-DSA-.pdf	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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?	a) Upon review of the State Debt Sustainability Analysis Report (SDSAR), it included the following: (1) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year. 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) a detailed and adequate description of the debt portfolio and borrowing options. a) A review and comparison between the information (figures) contained in the assessment report of the SDSAR obtained from the DMO and the SDSAR obtained from the State Website was done. The information in the assessment report of the SDSAR obtained from the State's website does not include: MTB forecasts from 2020 to 2023 for all expenditure categories detailed in the VP, as well as for Budget Balance and Debt and borrowing projections from 2020 to 2029 for Baseline Scenario are not presented in the SDSAR.	Unsatisfactory	The State should ensure that the SDSAR includes the following: 1) medium-term budget forecasts; and 2) a detailed description of the debt portfolio and borrowing options,
DLI 8: Improved Clearance/Reduction of Stock of				
Domestic Expenditure Arrears				
DLR 8.0	**Basic Target: Domestic arrears as of end 2019 and end 2020 are reported in an online publicly-accessible database, with a**		**Not Achieved**	

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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	verification process in place. **Stretch Target: Domestic arrears as of end 2019 and end 2020 reported in an online publicly-accessible database, with a 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 below 5 billion.**			
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The State has established an Arrears Clearance Framework (ACF) b) The IVA has obtained a copy of the ACF from the State. c) The establishment of the ACF occurred by 23 December, 2019. d) 12 months is the duration of time between the establishment of the ACF and the 31st December 2020 year-end, and this is adequate to allow time for the implementation of the ACF	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled. b) Pages 16-17 contains the evidence when reviewing the ACF that shows the ACF contains the two stated requirements c) Other documents submitted by the state to confirm the ACF exists and any other work done is SARVCR and SDDR.	Satisfactory	
3	Has the ACF been published on a State official website?	a) The IVA confirmed that the ACF has been published on a State official website b) We have downloaded a copy for validation c) The weblink for the publication is https://old.oyostate.gov.ng/ministry-of-finance/#1596732023323-eca11913-7eb9 and the evidence obtained to confirm the date of publication are timestamps generated by the IVA and the IT backend timestamp.	Satisfactory	
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 IVA confirmed that the clearance of arrears is consistent with the ACF by comparing the Prioritisation policy in the ACF with the State Domestic Arrears 2020 to ensure that the policy was being adhered to.	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	a) The State has established an Internal Domestic Arrears Database b) The Internal Domestic Arrears Database includes the following: a. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, the internal domestic arrears database 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	Unsatisfactory	The state should ensure that there is a verification process is in place for the arrears in the database

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		(as applicable). The database shows the total domestic arrears stock at the end of each year.		
		b. The aggregate amount of pension and gratuity arrears.		
		c. The aggregate amount of salary arrears and other staff claims.		
		d. The aggregate amount of other types of domestic arrears		
		c) There is no verification process in place for the arrears in the database		
		d) No evidence was provided by the State to show that verification of arrears balances was conducted.		
		e) We 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., and there were no discrepancies.		
		f) The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)		
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?	a) The State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2019 and 2020. b) The IVA compared the aggregate and individual information available on the online publicly-accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly-accessible arrears database. c) The website supporting the online publicly-accessible arrears database does not contain an electronic link that	Unsatisfactory	The State should ensure that online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		permits any potential contractor creditor whose individual claim is not listed in the database to communicate. This is an 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.		
		d) The IVA confirmed that the online web pages did not include a facility for contractors with arrears (creditors) to report any omissions to the State.		
		e) The IVA did not conduct a test as the online web pages did not include a facility for contractors with arrears (creditors) to report any omissions to the State.		
		f) There were no records from the state on the omissions reported by contractors each year and how they were treated.		
		g) There were no records from the state on the omissions reported by contractors in each year and how they were treated.		
		h) The weblink to the online publicly accessible arrears database https://oyostate.gov.ng/wp-content/uploads/2020/12/OYO-STATE-YEAR-2020-CONTRACTOR-ARREARS-DATABASE-.pdf		
7.	Does the online publication include?	The online publication includes the aggregate amount for the four types of arrears as shown. https://finance.oyostate.gov.ng/download/2020-oyo-state-arrears-reporting-verification-and-clearance-report-oysarvcr/	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.	The online publication contains the names of contractors owed ₦20m in arrears and above.		
8. Has the State met the following: (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	<table><tr><th>Aggregate Amount of:</th><th>2020</th><th>2019</th><th>% Diff</th></tr><tr><td>Contractors Arrears</td><td>5,259,949,489.82</td><td>4,911,408,676.72</td><td>7%</td></tr><tr><td>Pension and Gratuity arrears</td><td>29,125,589,895.59</td><td>30,075,100,160.93</td><td>-3%</td></tr></table>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings				Conclusion	Recommendations

arrears clearance framework.

-Stretch target: At least a 5% year-on-year decline or maintain stock or arrears below ₦5 billion.

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.

Salary arrears and Staff claims	-	-	
Judgment Debt	106,468,643.85	106,468,643.85	0%
Other types of domestic expenditure arrears	-	-	
Total Domestic Arrears	34,492,008,029.26	35,092,977,481.50	2%

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 and the AFS for 2020

$$\frac{₦35,092,977,481.50 - ₦35,092,977,481.50}{₦35,092,977,481.50} \times 100$$

$$= 2\%$$

The percentage decline is 2%

Source: State internal domestic expenditure arrears database

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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%]**		**Achieved** (Basic target met)	
1	Has the State met: (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)? **-Basic target:< [150%]** **-Stretch target: < [125%]**	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison. **Total Public Debt** |	Financial Statements	DMO/SDEDR Figures
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Total Domestic Debts	97,112,549,155.06	110,011,693,564.90
Total External Debts	31,806,088,350.37	31,889,788,583.47
Total Public Debts	128,918,637,505.43	141,901,482,148.37 | **Total annual revenue**	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

2020 Adjusted IGR (see DLI 4.2)	28,968,665,132.25
Gross FAAC Allocation	66,352,769,629.49
Grants	3,648,946,285.20
Other Revenues* (See Miscellaneous breakdown)	8,552,404,155.93
Total Revenue	107,592,912,986.21

Miscellaneous

*Miscellaneous Source: Other Revenue Sources of The Oyo State Government, Note 3a Oyo State 2020 Audited Financial Statements	
DIRECT LODGEMENT	128,805,531.38
COVID 19 FGN SUPPORT	1,000,000,000.00
SFTAS	7,054,000,000.00
SOLID MINERALS REVENUE	211,535,633.53
DISTRIB OF 20B STABILISATION	158,062,991.02
TOTAL MISCELLANEOUS	**8,552,404,155.93**

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	a) The State's domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2020 is as at the end of Q4 2020. We have computed the total debts stock / Revenue percentage for the 2020 year, as follows: $$\frac{\text{₦141,901,482,148.37}}{\text{₦107,592,912,986.21}} \times 100$$ = 131.88% Sources: 1.. For Total Revenue: **2020 Audited Financial Statement,** Cash Flow Statement, Pages 1-2 of "Statements 1-4" Folder (online); and Note 3a, page 13 of "Notes 1-26-2020" folder (online); 2. Fed Ministry of Finance/ Office of Accountant General excel file **"2018-2020 States FAAC for DLI 9"**, tab: Distribution of Revenue Allocation from FAAC 2020 3. For Total Public Debt, excel file "**State Debt Revised and Reconciled 2020 02.02.2022**" from DMO* as at December 31, 2020 *Table 3(i) below holds a breakdown of the Total Debt. 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.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		c. There is a difference of ₦12,982,844,642.93 (IVA could not determine whether the discrepancy between States debt figures in the AFS and the DMO adjusted figures is due to the adjustments made invalidating the data with CBN and FMOF, rather than due to discrepancies between States AFS and what States report to DMO originally)		
		d. The difference has been communicated to the State for an explanation and the State's response was:		
		"Your observations are well-acknowledged on the DLI. The reconciliation process is ongoing and more detail will be communicated later"		
		e. The difference has been calculated in value (₦12,982,844,642.93)		
		f. The SDEDR was not amended and resubmitted to the IVA along with explanations for any changes.		

3. APPENDICES

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

OYO STATE	2020 - AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,407,336,300.76
BAIL OUT (SALARIES) (SOURCE CBN)	24,026,905,994.71
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	8,484,634,681
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,122,583,922
STATE BONDS	1,515,467,979
COMMERCIAL BANK LOANS (Access Bank)	2,949,313,430
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	6,786,476,229
BAIL-OUT (INFRASTRUCTURE)	
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN	1,214,122,000
JUDGEMENT DEBTS	106,468,644
GOVT - GOVT DEBTS	
CONTRACTORS' ARREARS	5,259,949,490
PENSION AND GRATUITY ARREARS	29,125,589,896
SALARY ARREARS AND OTHER CLAIMS	
OTHER DEBTS	12,845,000
TOTAL DOMESTIC DEBT (TDD)	**110,011,693,564.90**
TOTAL EXTERNAL DEBT (TED)	31,889,788,583
TOTAL PUBLIC DEBT (TED+TDD)	**141,901,482,148.37**

Source: **"State Debt Revised And Reconciled 2020 02.02.2022**" from DMO as at December 31, 2020

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

TEMPLATE: OPTION A	NGN
Item	2020
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	66,352,769,629.49
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	41,485,710,399.70
1.1.1 Gross statutory allocation	36,788,828,428.08
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	4,696,881,971.62
1.2 VAT	24,867,059,229.79
2. Internally Generated Revenues (IGR) - Adjusted	28,968,665,132.25
3. Grants (internal and external)	3,648,946,285.20
4A. Other revenues (4.1 + 4.2 + 4.3)	8,622,531,939.27
4.1 Investment Income (e.g. dividends)	69,624,597.70
4.2 Interest Earned	503,185.64
4.3 Miscellaneous*	8,552,404,155.93
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	107,592,912,986.21

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	**DLR 1.1.** Your observation on the DLR is well noted and we are glad to inform you that the revenue appropriation for the Year 2020 Budget Implementation Report was prepared on and uploaded accordingly to the State official website via the below weblinks showing the summary of revenue budget implementation report and the updated version of the revenue budget implementation for the year : SUMMARY OF REVENUE https://budget.oyostate.gov.ng/wp-content/uploads/2021/06/SUMMARY-OF-REVENUE-EXPENDITURE-FOR-YEAR-2020-BUDGET.pdf UPDATED VERSION https://bir.oyostate.gov.ng/wp-content/uploads/2021/01/YEAR-2020-FOURTH-QUARTER-BUDGET-REPORT-REVENUE.pdf	The State response is noted. However, the timing of tfhe report submission is 31st December 2020 and not June 2022, therefore this remains not achieved. The State can use the feedback to update further report.
2	**DLR 2.2** We noted your observation and conclusion on this DLR which state that the State could achieved the DLR Subject to provision of weblink to dissemination events Kindly note that, the dissemination event for the Year 2020 reviewed Budget was published in the official website of the State alongside with other necessary uploads as regard the DLR via the links below: APPROVED BUDGET 2020: https://old.oyostate.gov.ng/ministry-of-budget-and-economic-planning/#1579769992460-f7648b55-6a28 REVIEWED BUDGET 2020: https://old.oyostate.gov.ng/ministry-of-budget-and-economic-planning/#1596041799424-9ad114fc-3596 FIRST QUARTER 2020: https://old.oyostate.gov.ng/wp-content/uploads/2020/05/1ST-QTR-2020-INITIAL-BUDGET-UPDATED-APPROVED-BUDGET.pdf	IVA has reviewed the State's submission and accepted it.

	SECOND QUARTER 2020: https://old.oyostate.gov.ng/wp-content/uploads/2020/08/2ND-QTR-2020-Budget-Analysis.pdf THIRD QUARTER 2020: https://budget.oyostate.gov.ng/download/updated-third-quarter-initial-reviewed-budget-2020/ FOURTH QUARTER: https://budget.oyostate.gov.ng/download/updated-fourth-quarter-initial-reviewed-budget-2020/ YEAR 2020 REVIEWED APPROPRIATION LAW: https://old.oyostate.gov.ng/wp-content/uploads/2020/07/2020-Review-Appropriation-Law-for-Consolidated-Recurrent-and-Capital-Expenditure.pdf https://old.oyostate.gov.ng/wp-content/uploads/2020/07/2020-Review-Appropriation-Law-for-Consolidated-Revenue-Fund.pdf EVIDENCE OF CITIZEN ENGAGEMENT: https://old.oyostate.gov.ng/wp-content/uploads/2020/07/MINUTES-OF-THE-CITIZENS.pdf https://old.oyostate.gov.ng/wp-content/uploads/2020/07/MINUTES-OF-THE-CITIZENS.pdf	
3	**DLR. 6.2** We have verified your conclusion on the DLR and the information required for the Year 2020 contract Awards is hereby attached for your reference and necessary consideration. We hope this will meet your needs.	IVA reviewed the State's submission and found it to be relevant and acceptable for the conclusion of this DLR.
4		