



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

**2018 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 JK Consulting Co. Ltd



March 2020

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# 1. Executive Summary

This Report details the outcome of the Annual Performance Assessment (APA) conducted on Oyo State for the 2018 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 2018 APA for Oyo State and shows areas where the State was able to achieve results. In total, Oyo State achieved **five (5)** Disbursement Linked Results (DLRs) out of 14 DLRs.

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

1. DLR 1.1: Budget Implementation Reports show each MDA’s expenditures (as set out in the Appropriation Law).
2. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual requirements for this result.
3. DLR 2.1: Public consultation on the proposed budget is conducted with the participation of Local Government Authorities and State based CSOs. The minutes of the consultation should be jointly prepared and signed with the CSOs representatives and be posted on the States’ website with the proposed budget.
4. DLR 3.0: A functional State-level TSA is developed where all Government revenues are received before expenditure.
5. DLR 4.1: The Revenue Law is amended (alongside with the revenue code) to clearly state all sources of the revenues and rates, including the Local Governments sources and rates.
6. DLR 4.2: Increase in its annual IGR to achieve a 20% nominal annual growth rate as a minimum.
7. DLR 6.2: Publication of contract award information, above the set threshold, and on a monthly basis in the OCDS format on the State’s website.
8. DLR 7.1: The State Debt Management Law is amended to provide a framework for setting the State’s debt limit.
9. DLR 8: A Domestic Arrears Clearance Framework (ACF) is established and an internal domestic arrears database with relevant balances published online through a publicly accessible portal.

**Table 1: Assessment Results**

<b>Key:</b>	Achieved		Not Achieved	
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Disbursement Linked Indicators	Disbursement Linked Results (2018)	Results	Remarks
<b>DLI 1:</b> Improved financial reporting and budget reliability	DLR 1.1: FY18 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		Approved budget and actual expenditures per quarter for each MDA were not shown in the reports.
	DLR 1.2: FY18 deviation for total budget expenditure is < 30%		The deviation was 49%.
<b>DLI 2:</b> Increased openness and citizens’ engagement in the budget process	DLR 2.1: Citizens’ inputs from formal public consultations are published online, along with the proposed FY19 budget		Public consultative forum was not conducted.

Disbursement Linked Indicators	Disbursement Linked Results (2018)	Results	Remarks
<b>DLI 3:</b> Improved cash management and reduced revenue leakages through implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 50 percent of State government finances implementation of State TSA		The State did not maintain a Treasury Single Account (TSA).
<b>DLI 4:</b> Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: 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 approved by the State legislature and published.		The Revenue Law does not include the revenue codes, sources and rates for the Local Governments.
	DLR 4.2: 2018-2017 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, -Stretch target: 40% or more		Annual nominal IGR growth rate was 4.95%.
<b>DLI 5:</b> Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 60 percent of current civil servants completed and linked to payroll, and identified ghost workers taken off the payroll		98.2% of the State's civil servants' biometrics had been captured and linked to the payroll.
	DLR 5.2: Link BVN data to at least 60 percent of current civil servants on the payroll and payroll fraud addressed		98% of BVN of current civil servants linked to the payroll.
<b>DLI 6:</b> Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) eProcurement. 2) Establishment of an independent procurement board; and 3) Cover all MDAs receiving funds from the State budget.		The law substantially conforms with the requirements of the UNCITRAL model law.
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2018 on a monthly basis in OCDS format on the State website		Contracts above the threshold were not published online, using the OCDS format.
<b>DLI 7:</b> Strengthened public debt management and fiscal responsibility framework.	DLR 7.1: Approval of State-level legislation, which stipulates: 1) responsibilities for contracting State debt. 2) responsibilities for recording/reporting State debt; and 3) fiscal and debt rules/limits		The State's Debt Management Agency Law, 2013 has no framework for setting debt limits.
	DLR 7.2: Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018		The Q4 SDDR was accepted by DMO within two months after quarter end.
<b>DLI 8:</b> Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.		No domestic arrears database or ACF established in 2018.
<b>DLI 9:</b> Improved debt sustainability	DLR 9: Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2018 and Total debt stock at end of December 2018 as a share of total revenue for FY2018 meets target: Basic target: < 150%, Stretch target: < 125%	<b>Basic Target Achieved</b>	The average monthly debt service deduction was 12% of the gross FAAC allocation and debt stock to revenue ratio is 142%.

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

## 2. Introduction

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### 2.1 Overview

The Federal Government of Nigeria is implementing a four-year States Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results. The Project Development Objective is to strengthen the fiscal transparency, accountability and sustainability in Nigerian states. In each of the four years, the Program will finance activities under two components: (i) a Program for Results (PforR) component in the amount of US\$700 million and (ii) a Technical Assistance (TA) component in the amount of US\$50 million. All States are able to participate in the Program in each of the four years and benefit from the PforR Grants by meeting the Eligibility Criteria and any or all the Disbursement Linked Indicators (DLIs).

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and JK Consulting Limited 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 2018. To ensure a high-quality assessment, the IVA engaged the services of experts in Taxation, Procurement and Debt Management laws to review the legislation in place at each State.

### 2.2 Scope and APA Process

This Annual Performance Assessment (APA) Report covers the State's performance in 2018 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 2018 APA. The results of the eligibility assessment were reported previously to each state, and are included in Appendix A

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitised on the requirements of the program and on the protocol for 2018. The assessment results are binary (pass or fail), as that is how the Program for Results component 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 2/12/2019 and 6/12/2019 with a team of five persons, starting with an opening meeting where all the information requested was to be handed over. The visit was concluded with an exit meeting where initial findings were discussed, and the State was given a further opportunity to provide clarifications and/additional information.

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

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

### 3. Assessment Results

#### 3.1 Findings

Table 2: Findings

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
<b>DLI 1: Improved Financial Reporting and Budgeting Reliability</b>				
<b>DLR 1.1</b>	<b>Financial Year [2018] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management</b>		<b>Not Achieved</b>	
1	Has the State published its quarterly budget implementation report to the State official website within six weeks of the end of each quarter?	<p>This DLR was assessed based on the last two quarters of 2018 as per the verification protocol.</p> <p>From our desk review as well as the submissions from the State, the date the reports were posted online were as follows:</p> <ul style="list-style-type: none"> <li>• Q3 was posted October 26th, 2018 (4 weeks) and</li> <li>• Q4 was posted January 18<sup>th</sup>, 2019 (2.4 weeks).</li> </ul> <p>We obtained screenshots evidence from the State’s official website “<a href="https://oyostate.gov.ng/state-transparency-accountability-and-sustainability/">https://oyostate.gov.ng/state-transparency-accountability-and-sustainability/</a>” which revealed the date of the upload.</p>	Satisfactory	
2	Does the reports include, at a minimum, the approved 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)?	The report included the core economic classifications of expenditure (Personnel, Overheads, Capital, and Other expenditures) but not the approved budget appropriation for each of the MDAs.	Unsatisfactory	The Report should show the approved budget appropriation for the year for each MDA.
3	Does the report state the actual expenditures for the quarter attributed to each MDA and each expenditure	The report did not state the actual expenditures for each MDAs.	Unsatisfactory	The Report should show the actual expenditures for the

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>												
	classification as well as the cumulative expenditures for year to date?			Quarter attributed to each MDAs.												
4	Does the report State balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	The report stated the balances against the sectorial classifications as contained in the appropriation law.	Satisfactory													
<b>DLR 1.2</b>	<b>FY [2018] deviation from total budget expenditure is less than 30%</b>		<b>Not Achieved</b>													
1	Has the State Computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms?  Is the expenditure outturn deviation computed less than 30%?	The State's computation of the expenditure Outturn Deviation was 44.69%.  The IVA computed the budget performance deviation as 49%. See table below. <table border="1" data-bbox="758 813 1331 1027"> <thead> <tr> <th></th> <th><b>Budget</b></th> <th><b>Actual</b></th> </tr> </thead> <tbody> <tr> <td>Capital</td> <td>149,941,996,580.61</td> <td>43,183,509,129.47</td> </tr> <tr> <td>Rec. Exp</td> <td>145,329,086,790.49</td> <td>107,301,991,024.25</td> </tr> <tr> <td></td> <td><b>295,271,083,371.10</b></td> <td><b>150,485,500,153.72</b></td> </tr> </tbody> </table> $\frac{N295,271,083,371.10 - N150,485,500,153.72}{N295,271,083,371.10} \times 100 = 49\%$ Source: Financial Statement No 3 and 4: Approved Budget Expenditure and Actual Expenditure.		<b>Budget</b>	<b>Actual</b>	Capital	149,941,996,580.61	43,183,509,129.47	Rec. Exp	145,329,086,790.49	107,301,991,024.25		<b>295,271,083,371.10</b>	<b>150,485,500,153.72</b>	Unsatisfactory	The State should reduce its expenditure outturn deviation to a level within the annual requirements for this result.
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Capital	149,941,996,580.61	43,183,509,129.47														
Rec. Exp	145,329,086,790.49	107,301,991,024.25														
	<b>295,271,083,371.10</b>	<b>150,485,500,153.72</b>														
<b>DLI 2: Increased Openness and Citizens' Engagement in the Budget Process</b>																
<b>DLR 2.1</b>	<b>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2019] budget</b>		<b>Not Achieved</b>													

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
1	Did the State conduct at least one “town-hall” consultation before the proposed budget is drafted with participation of Local Government authorities and State-based CSOs?	The State did not conduct any town hall meetings to consult on the budget.	Unsatisfactory	The State should conduct public consultations with key stakeholders in advance of each budget preparation, and the minutes should be jointly prepared with the CSO representatives, signed by them and published online.
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and signposted on the home page of the website to enable citizens to find the inputs easily?			See above
<b>DLI 3: Improved Cash Management and Reduced Revenue Leakages through Implementation of State TSA</b>				
<b>DLR 3.0</b>	<b>Improved cash management and reduced revenue leakages through implementation of State TSA</b>		<b>Not Achieved</b>	
1	Has the State established a functional State-level TSA?	The State operates a modified form of TSA with two separate Treasury Accounts, one for IGR purposes and the other for statutory transfers. We understand the State prefers to operate the two accounts rather than one single account for both IGR and FAAC allocations.	Unsatisfactory	The State should establish a fully functional State level TSA for all revenues and expenditure.
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 is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.	There is no approved cash management strategy from the State, however, the State has a mechanism to provide reliable information on the availability of fund.	Unsatisfactory	The State should put in place a formally approved strategy for cash management



	Disbursement Linked Indicators (DLI) 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)?	The State central dashboard allows for viewing the cash balances for IGR only. The FAAC account balances cannot be viewed on the dashboard.	Unsatisfactory	The State's cash management system should allow for a central view all cash balances in bank accounts, including the FAAC account on a single dashboard.
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.	The State operates two separate Treasury Accounts, one for IGR purposes the other statutory transfers. The State uses all commercial banks as Revenue Collection Banks and sweep into the IGR (TSA) account (with the exclusion of the FAAC allocation).  However, we noted that not all balances in the commercial banks are swept into the TSA but only the amount needed per time. The sweeping is carried out every second working day of the week by 6pm. We obtained a report of the sweeping activities carried out on 5 December 2019.	Unsatisfactory	The State should ensure that all funds are swept into the treasury accounts and no funds should be kept in the revenue collecting banks.
5	Does the TSA cover a minimum of 50% of the State Government's finances?	We calculated the total cash inflow and cash outflow from the TSA account against the amount of government finances as contained in the TSA and Cashflow Statement for the year ended <sup>1</sup>  TSA Inflow: $\frac{N17,553,773,779.90}{N122,446,194,748.27} \times 100 = 14.34\%$ Total Govt fin: N122,446,194,748.27  TSA Outflow: $\frac{N17,465,243,203.33}{N150,485,500,153.72} \times 100 = 11.61\%$ Total Govt Fin: N150,485,500,153.72 The average is computed as: $\frac{14.34\% + 11.61\%}{2} = 12.98\%$ The TSA covered is 12.98% of the State's finances.	Unsatisfactory	It is recommended that the State operates and maintains a TSA where all government finances should be managed, including revenue generated by all institutions drawing funds from State CRF.

<sup>1</sup> Statement No 1. Statement of Cashflow for the year ended 31st December 2018.

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
<b>DLI 4: Strengthened Internally Generated Revenue (IGR) Collection</b>				
<b>DLR 4.1</b>	<b>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 approved by the State legislature and published</b>		<b>Not Achieved</b>	
1	Does the State have up-to-date consolidated revenue code which includes all the State's IGR sources and all the Local Governments (falling under that State) IGR sources? IGR sources include presumptive tax, indirect taxes and levies (roads, hotels), fines, fees and charges. Personal income tax, including PAYE, which is collected by the State and covered by the federal tax code.	The State has a revenue law which is called "The Revenue Administration Law, 2015". It includes all the State's IGR sources but excludes Local Government's sources and the rates.	Unsatisfactory	The Revenue law should include the revenue codes, sources and rates applicable for Local Governments.
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?	Section 6 (2) of the law makes it clear that SBIR shall coordinate all revenue collection by MDAs and be the accounting authority.	Satisfactory	
3	Is Collection of revenues made into accounts nominated by the SBIR for the SBIR to be deemed responsible for collection?	The State's Accountant-General nominated the revenue receiving banks as against the functions of the SBIR as contained in the revenue law. We obtained a copy of the approval of appointment as a Revenue Collecting Bank" from the States Accountant-General to the 17 commercial banks. Section 33 of the tax law makes it clear that all revenues of any authority of the State shall be paid into bank account designated by the SBIR.	Unsatisfactory	The States Internal Revenue Service should be responsible for nominating the accounts where revenue of the State should be paid into. Where the Accountant-General or others had previously nominated the accounts, the SBIR should revalidate the existing accounts.

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations																											
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	The laws seen were passed by the State House of Assembly and signed into law by the Governor prior to 31 December 2018, but the codes remain unapproved by the State legislature and as such, do not have legal basis. We obtained a hard and soft copies of The Revenue Administration Law, 2015 and did not contain the Revenue codes and rates as stipulated by this DLI.	Unsatisfactory	The Revenue law and codes should be harmonised and amended. This should include the rates applicable for each revenue categories and be passed by the State House of Assembly as soon as possible.																											
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	The Revenue law and codes were published online on December 13, 2017 by but there are no sources, rates or tariffs. see "oyostate.gov.ng/revenue-lost-3"	Satisfactory																												
<b>DLR 4.2</b>	<b>Annual nominal IGR growth rate meets target</b>		<b>Not Achieved</b>																												
1	<b>Has the 2018-2017 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20%-39%, Stretch Target: 40% or more</b>	<p>The IVA computed the annual nominal IGR growth rate is <b>4.95%</b>. (see below):</p> <table border="1"> <thead> <tr> <th>IGR Sources</th> <th>2018</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td><b>Total IGR</b></td> <td><b>27,638,101,769.46</b></td> <td><b>52,945,419,941.71</b></td> </tr> <tr> <td><b>Non - IGR Items</b></td> <td></td> <td></td> </tr> <tr> <td>Repayments-General</td> <td>36,766,293.15</td> <td>84,126,124.86</td> </tr> <tr> <td>Investment Income</td> <td>256,386,526.86</td> <td>268,052,981.31</td> </tr> <tr> <td>Interest earned</td> <td>2,426,211.46</td> <td>2,364,442.22</td> </tr> <tr> <td>Re-imburement</td> <td>4,157,424,264.63</td> <td>30,500,214,076.01</td> </tr> <tr> <td></td> <td><b>4,453,003,296.10</b></td> <td><b>30,854,757,624.40</b></td> </tr> <tr> <td><b>Adjusted Revenue</b></td> <td><b>23,185,098,473.36</b></td> <td><b>22,090,662,317.31</b></td> </tr> </tbody> </table> <p><math display="block">\frac{N23,185,098,473.36 - N22,090,662,317.31}{N22,090,662,317.31} \times 100 = 4.95\%</math></p> <p>Source:<sup>2</sup></p>	IGR Sources	2018	2017	<b>Total IGR</b>	<b>27,638,101,769.46</b>	<b>52,945,419,941.71</b>	<b>Non - IGR Items</b>			Repayments-General	36,766,293.15	84,126,124.86	Investment Income	256,386,526.86	268,052,981.31	Interest earned	2,426,211.46	2,364,442.22	Re-imburement	4,157,424,264.63	30,500,214,076.01		<b>4,453,003,296.10</b>	<b>30,854,757,624.40</b>	<b>Adjusted Revenue</b>	<b>23,185,098,473.36</b>	<b>22,090,662,317.31</b>	Unsatisfactory	The State should improve its IGR drive to achieve the minimum growth required for 2019 APA
IGR Sources	2018	2017																													
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<b>DLI 5: Biometric registration and bank verification number (BVN)</b>																															

<sup>2</sup> Statement No 3 – Audited Financial Statement for the year ended 31st December 2018.

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
	<b>used to reduce payroll fraud</b>			
<b>DLR 5.1</b>	<b>Biometric capture of at least [60] percent of current civil servants completed and linked to payroll, and identified ghost workers taken off the payroll</b>		<b>Achieved</b>	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 60% of the current civil servants on the State payroll?	<p>The State achieved 98.2% biometric capture of 25,426 staff and these were linked to the Staff payroll out of the total 25,891 staff of the State Government as at 31<sup>st</sup> December 2018.</p> <p>We obtained the biometric records, biometric image report, December 2018 payroll and compared with the States nominal roll.</p> <p>We carried out on the spot verification of Staff to ascertain Biometrics capturing position. 15 staff were verified through the Staff number on their various ID cards and all of them passed the spot verification of Biometrics information.</p>	Satisfactory	We recommend that the State should conclude the Pensioners biometric data linkage in time for the 2020 APA (if not already done).
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	We obtained the biometric report, State Nominal roll and performed sample tests to confirm the above. We performed the same checks as in 1. above.	Satisfactory	
3	Has the State removed confirmed ghost workers within three (3) months of each case being confirmed?	<p>The State had removed the confirmed ghost workers following the success of the Payroll Audit / Verification of Certificates exercise of 2016. We compared the payroll figure of December 2016 and March 2017.</p> <p>We also checked the payroll figures of December 2017 and December 2018.</p> <p>We obtained copies of the additional staff that were enrolled biometrically as at December 2018. Copies of the biometric and payroll were obtained.</p>	Satisfactory	

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
<b>DLR 5.2</b>	<b>Link BVN data to at least [60] percent of current civil servants on the payroll and payroll fraud addressed</b>		<b>Achieved</b>	
1	Has the State linked the Bank Verification Number data to 60% of its current Civil Servants to the State payroll?	As at December 2018, the State had linked 25,410 BVN data of its current civil servant to the payroll, which is 98%. We obtained BVN verification report of 4 <sup>th</sup> February 2018 where the State was able to make annual saving of N679,320,913.56, as a result of biometrics and BVN linkage exercises.	Satisfactory	
2	Has the State taken steps to identify payroll fraud?	The State concluded the staff verification exercise in 2016 where all ghost workers were identified and eliminated. We obtained the report of the exercise as at December 2016.	Satisfactory	
<b>DLI 6: Improved procurement practices for increased transparency and value for money</b>				
<b>DLR 6.1</b>	<b>Existence of a public procurement legal framework and a procurement regulatory agency. The legal framework should conform with the UNCITRAL Model Law and provide for: 1) eProcurement; 2) establishment of an independent procurement board and 3) cover all MDAs receiving funds from the State budget</b>		<b>Achieved</b>	
1	Does the State have a public procurement legal framework which must be approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval of the public procurement legal framework shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.	The Oyo State Public Procurement Law 2010, duly signed into Law on 20 <sup>th</sup> October 2010 by the Executive Governor, was provided.	Satisfactory	

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations												
2	Does the law conform with the UNCITRAL Model Law which should provide for; (1) eProcurement, (2) establishment of an independent procurement board; and (3) cover all MDAs receiving funds from the State budget.	<p>The law is structured like the UNCITRAL model law and substantially complies with its requirements.</p> <p>1. e-Procurement: S. 8(e) states that, the Council shall approve changes in the procurement process to adapt to improvements in modern technology. S. 11(p) provides that, the Bureau shall introduce, develop, update and maintain related database and technology.</p> <p>2. The results of our assessment of the legislation for independence are in the table below:</p> <table border="1" data-bbox="758 594 1388 1179"> <thead> <tr> <th data-bbox="758 594 1047 646">Required Provisions*</th> <th data-bbox="1047 594 1388 646">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="758 646 1047 708">The Functions and Powers of the Agency</td> <td data-bbox="1047 646 1388 708">Compliant; see sections 11 and 12.</td> </tr> <tr> <td data-bbox="758 708 1047 769">The composition of the board</td> <td data-bbox="1047 708 1388 769">Compliant; See s 4</td> </tr> <tr> <td data-bbox="758 769 1047 915">Membership of the Board/Council includes representatives from Professional bodies and associations.</td> <td data-bbox="1047 769 1388 915">Compliant; see sections 4(g)</td> </tr> <tr> <td data-bbox="758 915 1047 1032">The grounds for removal of the Chief Executive of the agency.</td> <td data-bbox="1047 915 1388 1032">Compliant; see section 13(4). It provides grounds for removal of the Permanent Secretary/Accounting Officer.</td> </tr> <tr> <td data-bbox="758 1032 1047 1179">Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review</td> <td data-bbox="1047 1032 1388 1179">Compliant; See Section 63(8) Appeals from decisions of the Bureau lie to the State High Court.</td> </tr> </tbody> </table> <p>*Provided by the World Bank</p> <p>3. Section 21(1) provides that the law shall apply to all procurement of goods, works and service carried out by the state government and all the procurement entities. The law defines procuring entity as any public body engaged in procurement</p>	Required Provisions*	Result	The Functions and Powers of the Agency	Compliant; see sections 11 and 12.	The composition of the board	Compliant; See s 4	Membership of the Board/Council includes representatives from Professional bodies and associations.	Compliant; see sections 4(g)	The grounds for removal of the Chief Executive of the agency.	Compliant; see section 13(4). It provides grounds for removal of the Permanent Secretary/Accounting Officer.	Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Compliant; See Section 63(8) Appeals from decisions of the Bureau lie to the State High Court.	Satisfactory	The Council and the Bureau should issue e-procurement regulations / guidelines.
Required Provisions*	Result															
The Functions and Powers of the Agency	Compliant; see sections 11 and 12.															
The composition of the board	Compliant; See s 4															
Membership of the Board/Council includes representatives from Professional bodies and associations.	Compliant; see sections 4(g)															
The grounds for removal of the Chief Executive of the agency.	Compliant; see section 13(4). It provides grounds for removal of the Permanent Secretary/Accounting Officer.															
Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Compliant; See Section 63(8) Appeals from decisions of the Bureau lie to the State High Court.															

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
		and include MDAs, extra – ministerial office, Government agency, parastatals and corporation. S. 2.		
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: board, bureau, commission, council, agency or any other type of entity set up for the statutory purpose?	The State has an independent Procurement Agency which oversees the Procurement Processes and Procedures of the State. We visited the office and went through their files. We obtained and reviewed a sample of procurement contracts approved by the agency.	Satisfactory	
<b>DLR 6.2</b>	<b>Publish contract award information above a threshold set out in the Operations Manual on a monthly basis in OCDS format on [the State website/ on the online portal]</b>		<b>Not Achieved</b>	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year that are above the threshold (as defined in the State procurement law or in the State procurement regulation(s)), in line with the Open Contracting Data Standards (OCDS). For 2018, States can publish the information on the State official website or online portal if already established.	The State did not publish online, contract awarded during the fiscal year that are above the threshold in line with Open Contracting Data Standard (OCDS).	Unsatisfactory	The State should publish information on contract awards above the set threshold, and in line with Open Contracting Data Standards (OCDS).
<b>DLI 7: Strengthened public debt management and fiscal responsibility framework</b>				
<b>DLR 7.1</b>	<b>Approval of State-level public debt legislation, which stipulates: 1) responsibilities for contracting State debt; 2) responsibilities for recording/reporting State debt; and 3) fiscal and debt rules/limits</b>		<b>Not Achieved</b>	

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
1	Is there an Approved State-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?	The State had an approved Oyo State Debt Management Agency Law, 2013. We obtained a soft copy of the Law, signed by the Governor on 21 October 2013.	Satisfactory	
2	Does the legislation include provisions which establish the following: (1) Responsibilities for contracting State debt; (2) Responsibilities for recording/reporting State debt; and (3) Fiscal and debt rules/limits for the State.	<p>We obtained and reviewed the Oyo State Debt Management Agency Law, 2013 and it includes provisions 1, 2 and 3.</p> <p>(1) Responsibilities for contracting State debt – Section 6(a) and 6(b) of the Debt Management Agency Law. Section 6(a) covers the responsibility to <i>‘issue and manage State Government loans publicly issued in Nigeria upon such terms and conditions as may be agreed between the State Government and the Agency’</i></p> <p>(2) Responsibilities for recording/reporting State debt – Section 5(1)(a) and the rest of Section (5) of the Debt Management Law. Section 5(1)(a) covers the responsibility to <i>‘Maintain a reliable database of all the loans taken or guaranteed by the State Government or any of their agencies’</i>.</p> <p>3.Criteria # 3 is satisfied by ss. 5(1)(b)(f)(i), &amp; 24. ss. 5(1)(b) -(l), 6(b) &amp; 19-27 of the DMAL provide a framework for debt management in Oyo State with reasonably detailed fiscal and debt rules, they do not stipulate debt limits whether quantitatively or provide a framework for setting the limit for State debt.</p>	Unsatisfactory	The Oyo State Debt Management Agency Law, 2013 has no framework for setting the debt limit.



	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
		<p>The provisions of the DMAL relied by the IVA for Criteria # 3 are ss. 5(1)(b)(f)(i) and 24. These provisions state that, “s. 5(1) <i>The Agency shall-</i></p> <p><i>a. prepares and submit to State Government a forecast of the loan service obligations for each financial year.</i></p> <p><i>b. set guidelines for managing State Government financial risks and currency exposure with respect to all loans.</i></p> <p><i>c. submits to the State government, for consideration in the annual budget, a forecast of borrowing capacity in local and foreign currencies.</i></p>		
<b>DLR 7.2</b>	<b>Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarter in 2018</b>		<b>Achieved</b>	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2018?	<p>This DLI was assessed based on Q4 only, as the revised report template and DMO verification protocols were only implemented in Q4 2018.</p> <p>We obtained evidence that the State produced quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> <li>• Q1 submitted on 27/04/2018,</li> <li>• Q2 submitted on 10/08/2018,</li> <li>• Q3 submitted on 30/11/2018 and</li> <li>• Q4 submitted on 27/02/2019.</li> </ul> <p>All the SDDRs were submitted within two months.</p>	Satisfactory	
2	<p><b>Note: Have you reviewed for accuracy and completeness from the DMO:</b></p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO and FMOF Home Finance used</p>	<p>The DMO’s Report on State Domestic and External Debt Report (SDEDR) showed the sum of ₦141,263,355,138.29 as accurate and complete. 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 omission in the state’s</p>	n/a	

	<b>Disbursement Linked Indicators (DLI) and Tests</b>	<b>Findings</b>	<b>Conclusion</b>	<b>Recommendations</b>
	by the DMO to cross-check the State's domestic debt figures.	submission to the DMO. Conclusions reached in this report are based on the amended DMO data.		
<b>DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears</b>				
<b>DLR 8.0</b>	<b>Domestic arrears as of end 2018 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.</b>		<b>Not Achieved</b>	
1	Has the State established an Arrears Clearance Framework (ACF)?	Oyo State has not established an Arrears Clearance Framework.	Unsatisfactory	The State should establish an Arrears Clearance Framework.
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	See above	Unsatisfactory	The ACF should contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled
3	Has the ACF been published on a state official website?	See above	Unsatisfactory	The ACF should be published online
4	Has the State established an Internal Domestic Arrears Database?	Oyo State has not established an Internal Domestic Arrears Database	Unsatisfactory	The State should establish an Internal Domestic Arrears Database
5	Has the State published online elements of the internal domestic arrears database on a state official website, which constitutes the online publicly accessible arrears database?	See above	Unsatisfactory	See above
<b>DLI 9: Improved debt sustainability</b>				
<b>DLR 9.0</b>	<b>Average monthly debt service deduction is &lt; 40% of gross FAAC allocation for FY [2018] AND Total debt stock at end Dec [2018] as a share of total revenue for FY</b>		<b>Achieved Basic Target</b>	

	Disbursement Linked Indicators (DLI) and Tests	Findings	Conclusion	Recommendations
	<p><b>[2018] meets target: Basic target: &lt; [150%], Stretch target: &lt; [125%]</b></p>			
	<p>Has the State met: (i) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1<sup>st</sup> January to 31<sup>st</sup> December 2018) to the gross FAAC allocation for the same calendar year. <b>Less than</b> :&lt; [40%]</p>	<p>The percentage of total monthly service deductions at the end of the year 2018 to the Gross FAAC is <b>12%</b>.  Total Service Deduction <u>N7,967,032,941.78</u>  Gross FAAC Percentage N65,393,540,306.28  = <b>12%</b></p> <p><b>Source:</b> FMoF (FAAC)</p>	Satisfactory	
	<p>Has the State met: (ii) the ratio of total debt stock at end-of-year (31<sup>st</sup> December 2018) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1<sup>st</sup> January to 31<sup>st</sup> December 2018)? <b>-Basic target:</b>&lt; [150%], <b>-Stretch target:</b> &lt; [125%]</p>	<p>The percentage of total debt stock to total revenue is <b>142.37%</b>. (see computation below):</p> <p>Revenue as per Audited FS - N98,035,577,222.82  Less: Re – Imbursements - <u>N 4,157,424,264.63</u>  Adjusted Revenue - <u>N93,878,152,958.19</u>  Total Debt <u>N133,663,355,138.29*</u> X 100  Total Revenue N93,878,152,958.19  = <b>142.37%</b></p> <p>*Table 3 below holds a breakdown of the Total Debt</p> <p><b>Source:</b> Audited Financial Statement 2018, Statement No.3 and Total Public Debt from DMO as at December 31, 2018</p>	Satisfactory	

**TABLE 3: DLI 9 31 DECEMBER 2018 STATE DEBT STOCK TABLE FOR OYO STATE**

S/N	SOURCE OF DEBT	OYO
1	1. BUDGET SUPPORT LOAN (SOURCE FMOF)	17,569,000,000
2	2. BAIL OUT (SALARIES) (SOURCE CBN)	24,894,858,992
3	3. RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	8,813,419,031
4	4. EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,398,026,989
5	5. STATE BONDS	2,328,087,076
6	6. COMMERCIAL BANK LOANS	
7	7. CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	7,600,000,000
8	8. BAIL-OUT (INFRASTRUCTURE)	-
9	9. MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF) (SOURCE CBN)	1,214,122,000
10	10. JUDGEMENT DEBTS	41,806,299
11	11. GOVT - GOVT DEBTS	-
12	12. CONTRACTORS' ARREARS	4,737,565,954
13	13. PENSION AND GRATUITY ARREARS	24,825,840,839
14	14. SALARY ARREARS AND OTHER CLAIMS	-
15	15. OTHER DEBTS	6,431,233
	<b>TOTAL DOMESTIC DEBT (TDD)</b>	<b>101,429,158,413</b>
	<b>TOTAL EXTERNAL DEBT (TED)</b>	<b>32,234,196,725</b>
	<b>TOTAL PUBLIC DEBT (TED+TDD)</b>	<b>133,663,355,138</b>

**Table Notes**

1. Domestic debt stock figures (except for categories 1,2,4,7 and 9) are the figures as at 31 December 2018 reported by states to the DMO in their signed Q4 2018 state domestic debt reports.
2. Domestic debt stock categories 1,2,4,7 and 9 figures are the figures of outstanding loans as at 31 December 2018 reported by Federal Ministry of Finance and Central Bank of Nigeria to the DMO as part of the DMO Q4 2018 verification exercise.
3. External debt stock as at 31 December 2018 reported by the DMO.

## 4. Response from the State

### OYO SFTAS IVA APA 2018 RESPONSE FOR FURTHER CONSIDERATION

Thank you for the draft report on Year 2018 Annual Performance forwarded on 29<sup>th</sup> January 2020. We are sorry for our late response to the draft report and regret any inconvenience it might have caused you. We are amazed particularly on DLR 1.1 and DLR 9 which we considered as part of our strength under SFTAS programme and note your recommendation on all the DLRs for appropriate action. However, we have strong objection to assessment on DLR1.1 and DLR 9.

OYO State Response	IVA Response /Treatment
DLR 1.1 required online publication of Budget Implementation Report on an average within six (6) weeks of quarter-end to enable timely budget management. The draft report posited that Third Quarter (Q3) and Fourth Quarter (Q4) reports were published at an average of 29 weeks. We wish to point out that, Quarter three (Q3) Budget Implementation Reports for Year 2018 was published on 26 <sup>th</sup> October 2018 while the report for the Quarter Four (Q4) was published on 18 <sup>th</sup> January 2019 contrary to the assessment report on the DLR. Sequel to the report, an extensive investigation was carried out and we discovered that the irregularity you might have observed with regard to the time stamp for the upload of Year 2018 Quarterly Budget Implementation Report for Quarter Three (Q3) was caused by a rare server glitch on the day the document was uploaded.	The IVA requested for further evidence that proves conclusively, the Q3 was published on 26 <sup>th</sup> October 2018 as claimed. The State was able to provide documentary evidence of the technical error that affected their systems and provided the IVA with the “screen shot” of the TIMESTAMP of the initial posting of the document on their website. The IVA is satisfied with the level of evidence obtained and concluded the result was <b>satisfactory</b> .
We have carefully conducted investigation into our Total Domestic Debt (TDD) and Total External Debt (TED) and discovered that, the Total Public Debt figure used for the computation of Debt Sustainability for DLI 9 was erroneous. (Table 3: page 17 of the report). We observed huge discrepancies between the figures used for the computation of the draft report and our quarterly domestic report accepted by Debt Management Office (DMO) for fourth quarter (Q4) year 2018. The discrepancies noted are shown in the table below:	

S/N		Draft Report	State Record/DMO
1	Budget Support loan (source FMOF)	17,569,000,000.00	17,569,000,000.00
2	Bailout (Salaries) (Source CBN)	24,894,858,992.00	16,171,017,768.10
3	Restructured Commercial Bank Loans (FGN Bond)	8,813,419,031.00	8,813,419,031.00
4	Excess crude Oil Account Backed Loan (Source CBN)	9,398,026,989	9,422,588,166.66
5	State Bonds	2,328,087,076.00	2,328,087,076.00
6	Commercial Bank Loan	7,600,000.000.00	0.00
7	CBN Commercial Agric Loan (Source CBN)	7,600,000.000.00	7,600,000.000.00
8	Bailout (Infrastructure)		
9	Micro small medium enterprise development Fund (Source CBN)	1,214,122,000.00	1,214,122,000.00

10	Judgment Debts	41,806,299.00	41,806,299.00
11	Govt-Govt Debts	0.00	0.00
12	Contractors' Arrears	4,737,565,954.00	4,737,565,954.00
13	Pension and Gratuity Arrears	24,825,840,839.00	24,825,840,839.00
14	Salary Arrears and Other Claims	0.00	0.00
15	Other Debts	6,431,233.00	6,431,233.00
	<b>Total Domestic Debt (TDD)</b>	<b>109,029,158,413.00</b>	<b>92,729,878,366.76</b>
	<b>Total External Debt (TED)</b>	<b>32,234,196,725.00</b>	<b>32,234,196,725.00</b>
	<b>Total Public Debt (TED+TDD)</b>	<b>141,263,355,138.00</b>	<b>124,964,075,091.76</b>

In the light of the above, we strongly disagree with the sum of One hundred and Forty One billion, Two hundred and Sixty Three million, Three Hundred and Sixty Five thousand, One hundred and Thirty Eight Naira (N141,263,355,138.00) captured as Total Public Debt for the State. Our findings are as follows.

Response for Further Consideration	IVA Response /Treatment
Salary bail-out: In line with our reconciliation with Debt Management Office, the total bailout facility outstanding is Sixteen Billion One Hundred and Seventy One Million Seventeen Thousand Seven Hundred and Sixty Eight Naira Ten Kobo (N16,171,017,768.10) as against Twenty Four billion, Eight Hundred and Ninety Four million, Eight Hundred and Fifty Eight thousand, Nine Hundred and Ninety two Naira (N24,894,858,992.00) used in the report by Independent Verification Agent (IVA). This gives a variance of Eight billion, Seven hundred and Twenty-Three million, Eight hundred and Forty-One thousand, Two hundred and Twenty-Four thousand (N8,723,841,224.00).	The IVA relied on the data and information from the CBN.
Excess Crude Oil Account Backed Loan: By our record, the state indebtedness is Nine billion, Four Hundred and Twenty Two Million Five Hundred and Eighty Eight Thousand One Hundred and Sixty Six Naira Sixty-Six Kobo (N9,422,588,166.66) , and not Nine billion Three hundred and Ninety Eight million, Twenty Six thousand, Nine hundred and Eighty Nine (N9,398,026,989).	The IVA relied on the data and information from the CBN.
Commercial Bank Loan: The State did not contract any Commercial Bank Loan in Year 2018. The new commercial loan existing in the Debt portfolio of the State was contracted in Year 2019 and the value is Four billion, Six hundred and Forty Eighty million, Seven hundred and One thousand, Eight hundred and Eighty-One-naira, Eight kobo (N4,648,701,881.08). Therefore, the sum of Seven Billion, Six Hundred million Naira (N7,600,000,000.00) recorded as part of Oyo State debt Portfolio for year 2018 is strange and unfounded. And it is therefore rejected. There is no documentary evidence which shows that the state is indebted to any Commercial Bank to the tune of the amount in Year 2018.	<p>We noted the duplication of the N7.6b previously stated as a Commercial bank loan per DMO submission, but now clarified to be a CBN Agric loan.</p> <p>The DLR 9 result was re-computed and concluded as satisfactory:</p> <p><u>Total Public Debt for Year 2018 X 100</u>  <u>Total Adjusted Revenue for Year 2018</u></p>

Therefore, our total Public debt at the end of year 2018 stood at One hundred and Twenty-Four billion, nine hundred and sixty-four million, seventy-five thousand and Ninety-One-naira, seventy-six kobo (N124,964,075,091.76) as recalculated in the table above.

In the light of the above, our debt sustainability ratio (the ratio of total debt stock at end of year 2018 to the total revenue collected during the year) is as follows:

$$\frac{\text{Total Public Debt for Year 2018}}{\text{Total Adjusted Revenue for Year 2018}} \times 100 = \frac{\text{N124,964,075,091.76}}{\text{N93,878,152,958.1}} \times 100$$
$$\text{Total Debt Stock} = 133.11\%$$

Thank You.

$$\frac{\text{N133,663,355,138.29}}{\text{N93,878,152,958.19}} \times 100$$

$$\text{Total Debt Stock} = \underline{142.37\%}$$

# Appendix A

## Report on the achievement of the Eligibility Criteria for the 2018 performance year

### Oyo State

**YOUR STATE HAS BEEN ASSESSED AS HAVING MET THE ELIGIBILITY CRITERIA FOR THE 2018 PERFORMANCE YEAR.**

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

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

### **Eligibility Criteria 2018 Part 1 - The online publication of Approved Budgets for 2019 by 28 February 2019**

Overview				
Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
<a href="https://oyostate.gov.ng/?s=2019+BUDGET">https://oyostate.gov.ng/?s=2019+BUDGET</a> <a href="https://www.oyostatelegislature.gov.ng/?s=2019+BUDGET">https://www.oyostatelegislature.gov.ng/?s=2019+BUDGET</a>	A search was done on Oyo State website	<b>The 2019 Budgets were not published on the State Official website.</b>	A request was made on 12/03/2019 via email to the focal persons to provide evidence of the approved 2019 budget and governor's assent. No information was received. A phone call was put across on 22/03/19 to the focal persons for follow up on the governor's assent. No further response was received until August 2019.	<p><b>EC met</b></p> <p>Oyo state provided further explanations via email on 07/08/2019, including the following;</p> <ul style="list-style-type: none"> <li>• A copy of the Appropriation Act showing assent by the Governor on 20/02/2019, and</li> <li>• A letter from the Governor's Office dated 07/08/2019, affirming that the approved budget was published on the website on 26/02/2019. The website was redesigned, and the document was reloaded on the site on 05/08/2019. (re-publication was confirmed).</li> </ul>



Tests/checks performed	Results	Areas for improvement
Is the approved budget for 2019 available on any of the State Government Websites?	Yes	Evidence of Governor's assent should be published with the Budget
Was the approved budget published online before 28 February 2019?	Yes	<ul style="list-style-type: none"> <li>Evidence of this will be examined during the Annual Performance Assessment.</li> <li>State to be quicker in responding to IVA requests.</li> </ul>
Is the published budget clear and legible?	Yes	
Can the budget be downloaded?	Yes	
Do we have evidence of assent by the Governor?	Yes	

**Eligibility Criteria 2018 Part 2 - The online publication of Audited Financial Statements for 2017 by 31 December 2018**

Source(s)	Initial Work Done	Initial Comments/Observation	Follow up	Final Assessment
<a href="https://oyostate.gov.ng/">https://oyostate.gov.ng/</a> <a href="https://oyostate.gov.ng/ministry-of-finance-and-budget/budget-finance/">https://oyostate.gov.ng/ministry-of-finance-and-budget/budget-finance/</a> <a href="https://oyostate.gov.ng/ministry-of-finance-and-budget/oyo-state-government-annual-statutory-financial-report-for-the-year-2017/">https://oyostate.gov.ng/ministry-of-finance-and-budget/oyo-state-government-annual-statutory-financial-report-for-the-year-2017/</a>	A search was done on Oyo State website	<b>The Financial Statements published did not contain an Audit Certificate</b>	An email was sent to the State Focal persons as at 30/01/19, concerning the Financial Statements Published without an audit certificate	<b>EC met</b>  There was no response from the State Focal persons. A further search was done on the state website, the audit certificate was seen as published February 2019 and downloaded. <b>We are to compare the first downloaded FS with second download and confirm they are the same.</b>

Tests/checks performed	Results	Areas for improvement
Were the Financial Statements (FS) for 2017 available on any of the State Government Websites? (and were the FS straightforward or difficult to find?)	Yes	
Were the Financial Statement for 2017 available published online before 31 December 2018?	Yes	

<b>Are the published financial statements clear and legible?</b>	Yes	
<b>Can the Financial Statements be downloaded?</b>	Yes	
<b>Do we have evidence of audit by the State Auditor-General?</b>	Yes	
<b>Are the financial statements complete, including primary statements and disclosure notes?</b>	Partly	Disclosure Notes do not state accounting policies or compliance with any reporting framework
<b>Are there any indications that balances within the financial statements are not credible</b>	Partly	<ul style="list-style-type: none"> <li>i. Social benefit is zero in 2016.</li> <li>ii. Need to reconcile domestic and external (for 2017) debt stock data with DMO</li> </ul>