



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

2019 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**



November 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 second (2019) year of the four-year SFTAS Program. In conducting the APA, the verification team assessed how the State performed against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines, and verification protocol.

Table 1 (below) reflects the outcome of the 2019 APA for Oyo and shows areas where the State achieved results. In total, Oyo State achieved **7 (seven)** DLRs out of 14 DLRs applicable to 2019 and 1 DLR was achieved in 2018. Two of the achieved DLRs were due for assessment during the 2020 APA but have been assessed early as requested by the Programme.

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

1. DLR 1.1: 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 2.2: Prepare and publish online the citizens budget before the due date.
4. DLR 3.0: Develop a functional State-level TSA where all Government revenues (IGRs and FAAC) are all credited into before expenditure and increase the percentage of state government finances flowing through the TSA to at the least the minimum required to achieve this result).
6. DLR 4.2: Increase its IGR revenue to achieve a minimum of 20% nominal annual growth rate.
7. DLR 5.1: Biometric data of all the State's pensioners is captured and linked with the State's payroll to reduce fraud.
8. DLR 8: The clearance of domestic expenditure arrears is consistent with the ACF

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY19 quarterly budget implementation reports published on average within 6 weeks of quarter-end to enable timely budget management		Approved budget and actual expenditures per quarter for each MDA were not shown in the last two quarters' reports.
	DLR 1.2: FY19 deviation for total budget expenditure is < 25%		Budget deviation was 46.8 %
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2020 budget.		Formal public consultations were held, and minutes published online on 18 th December 2019
	DLR 2.2: Citizens' budget based on approved FY19 State budget published online by end April 2019.		The State did not produce or publish any citizens' budget.
DLI 3: Improved cash management and reduced	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a		The State did not have a functional TSA.

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
revenue leakages through implementation of State TSA	minimum of 60 percent of state government finances implementation of State TSA		
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		This is a 2020 result assessed early. All requirements were met.
	DLR 4.2: 2019-2018 annual nominal IGR growth rate meets target: -Basic target: 20%-39%, Stretch target: 40% or more		IGR nominal Growth Rate was 14.07%.
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 75 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		Biometrics capture was 55% for pensioners
	DLR 5.2: Link BVN data to at least 75 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		The State has linked 95% BVN data of civil servants and pensioners to payroll.
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agencies; and 3) Cover all MDAs receiving funds from the state budget.		Previously achieved in 2018 APA
	DLR 6.2: Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on the state website		Contracts (above threshold) award information were published online.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		This is a 2020 result assessed early. All requirements were met.
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2019		Quarterly State debt reports were accepted by the DMO within 5.9 weeks on average.
DLI 8: Improved clearance/reduction of stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established and Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.		The State has not established a comprehensive Internal Domestic Arrears Database
DLI 9: Improved debt sustainability	Total debt stock at end of December 2019 as a share of total revenue for FY2019 meets target: Basic target: < 140%, Stretch target: < 115%. and Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2019.	Basic target achieved	Monthly debt service deduction is 17.7% of Gross FAAC while the Total Debt Stock to Revenue is 136.0%

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

2. Introduction

2.1 Overview

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

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

2.2 Scope

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

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

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit and a template with which to report the results achieved. The assessments were conducted between 17/08/2020 and 21/08/2020 with a team of four persons, starting with an opening meeting where all the information requested were handed over. The visit was concluded with an exit meeting where the initial findings were discussed, and each state was given further opportunity to provide clarifications and/additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2019] quarterly budget implementation reports published on average within [6 weeks] of each quarter-end to enable timely budget management		Not Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within six weeks of the end of each quarter?	<p>We downloaded the quarterly budget Implementation reports for all four quarters of the year 2019 and obtained evidence of a time stamp of the publications.</p> <p>a. The State published its quarterly budget implementation reports online and were downloaded from the State’s official website - https://oyostate.gov.ng/ministry-of-budget-and-economic-planning</p> <p>b. The State provided hard copies of the budget implementation reports and there were no discrepancies observed.</p> <p>c. The IT provided the following details from State’s website back end and screenshots were taken to authenticate the posting dates: `</p> <ul style="list-style-type: none"> • Q1 – (April 10th, 2019)- 10 days (1.3weeks) • Q2 – (July 25th, 2019) - 25 days (3.4weeks) • Q3 – (October 31st, 2019) - 31 days (4.4weeks) • Q4 – (February 7th, 2020) - 38 days (5.3weeks) <p>The average time taken to publish the quarterly report for the four quarters is as shown below:</p> $\frac{10+25+31+38}{4}$	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		=26 days (3.7weeks)		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classification of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for year to date, and balances against each of the revenue and expenditure appropriations.	<p>From our review of the quarterly budget implementation reports downloaded from the State’s website (https://oyostate.gov.ng/ministry-of-budget-and-economic-planning/#1579708343263-7b8c0035-eb8e), we observed the following:</p> <ol style="list-style-type: none"> a. The Q1 and Q2 reports included the approved original budget appropriation while the Q3 and Q4 included the revised budget appropriation only without the original budget. b. The reports also included the core economic classifications of expenditure (Personnel, Overheads, Capital, and others) but not according to the MDAs. 	Unsatisfactory	The State should ensure that the reports include the original approved budget appropriation for each organizational unit (MDAs).
3	Does the report State the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the cumulative expenditures for year to date?	Upon review of the State’s Budget Performance Reports, the reports did not state the actual expenditures for each quarter attributed to each MDAs.	Unsatisfactory	The State should ensure the reports state the actual expenditures to each MDA and each expenditure classification as well as cumulative expenditures for the year to date.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
4	Does the report State balance against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	The report stated the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis, as contained in the appropriation law, across the four (4) expenditure classifications and other expenditures.	Satisfactory													
DLR 1.2	FY [2019] deviation from total budget expenditure is less than 25%		Not Achieved													
1	Has the State computed the difference between the original approved total budgeted expenditure for the fiscal/calendar year and the actual total budgeted expenditure in the fiscal/calendar year, divided by the original approved total budgeted expenditure, and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 25%	<p>The State computed the budget deviation for 2019 to be 63.52%. The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="718 899 1352 1042"> <thead> <tr> <th></th> <th>Original Budget</th> <th>Actual Outturn</th> </tr> </thead> <tbody> <tr> <td>Capital (pg13)</td> <td>163,531,434,576.24</td> <td>28,973,231,426.23</td> </tr> <tr> <td>Rec. Exp (pg10)</td> <td>121,619,813,614.24</td> <td>122,633,466,330.80</td> </tr> <tr> <td>Total</td> <td>285,151,248,190.48</td> <td>151,606,697,757.03</td> </tr> </tbody> </table> $\frac{N285,151,248,190.48 - N151,606,697,757.03}{N285,151,248,190.48} \times 100$ <p style="text-align: center;">= 46.8%</p> <p>The budget performance deviation is 46.8%.</p> <p>Note that the Recurrent expenditure of ₦121,619,813,614.24, as contained on Page 1 of the Summary of Approved 2019 Budget has been included in the above calculation. We note the need to clarify</p>		Original Budget	Actual Outturn	Capital (pg13)	163,531,434,576.24	28,973,231,426.23	Rec. Exp (pg10)	121,619,813,614.24	122,633,466,330.80	Total	285,151,248,190.48	151,606,697,757.03	Unsatisfactory	The State should reduce the budget deviation to a level below the limits set for this result.
	Original Budget	Actual Outturn														
Capital (pg13)	163,531,434,576.24	28,973,231,426.23														
Rec. Exp (pg10)	121,619,813,614.24	122,633,466,330.80														
Total	285,151,248,190.48	151,606,697,757.03														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>whether the recurrent expenditure in the original budget is N152,266,500,782.27, however, this has not been pursued as it would give an even higher deviation percentage</p> <p>Source: Original Budget - The Appropriation Law 2019, Pg. 1 Actual Outturn: FY2019 Audited Financial Statement No. 3 (Consolidated Revenue Fund), No. 4 (Capital Development Fund)</p>		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2020] budget		Achieved	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with participation of local government authorities and State-based CSOs?	<p>We obtained and reviewed the attendance register, minutes, photographs, and videos of the public consultations.</p> <p>a. The public consultations were held in the three senatorial districts of the State: Oyo North, Oyo Central and Oyo South with the participation of the Local Government authorities, such as, Akinyele, Lagelu, Egbeda, etc.</p> <p>b. The CSOs representatives in attendance included NGO, TUC, Farmers, Pensioners, Clergy, Traders, CSO's Olorunsogo LG, Vigilante, Hairdresser, etc.</p> <p>c. The Minutes, attendance list, pictures were obtained as information and evidence that a formal public consultation was held.</p> <p>d. The consultations for the year 2020 budget were held at the following venue with date:</p> <ul style="list-style-type: none"> • Oyo North – 13/11/2019 at Saki Parapo Town Hall, Saki. • Oyo Central – 12/11/2019 at Ancient Atiba Hall, Oyo. • Oyo South – 7/11/2019 at Prof. Theophilous Adedapo Ogunlesi Hall. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>e. A sample of 10 attendees were contacted through telephone calls, the evidence (questionnaire) documented, and the responses were satisfactory.</p> <p>f. The consultations were done first on the 7th, 12th and 13th November 2019 and the budget was drafted on 9th December 2019.</p> <p>g. The “town hall” consultation was done first before the budget was drafted.</p>		
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2020 to enable citizens to find the inputs easily?	<p>a) The minutes titled “Minutes of Stakeholders’ Consultative Meeting on Year 2020 Budget was jointly prepared and representatives of CSOs (CAN, Civil Society) from Oyo West and Olorunsogo co-signed the minutes.</p> <p>b) The minutes, alongside the proposed annual budget were posted on 18th December 2019, i.e. before the due date.</p> <p>Weblinks: https://oyostate.gov.ng/ministry-of-budget-and-economic-planning/#1580912396112-25f905c3-7445</p> <p>See Appendix A for weblinks to the proposed/final budget</p>	Satisfactory	
DLR 2.2	Citizens’ budget based on approved FY19 State budget published online by end April 2019.		Not Achieved	
1	Has the State published online, on the State website(s) a Citizens Budget based on the approved FY19 state budget not later than 30 April 2019?	The State did not produce and publish online, a Citizen’s Budget based on the approved FY2019 State budget. A search was conducted on the State’s websites and further inquiries from the State’s focal person revealed that the State did not produce the Citizens Budget.	Unsatisfactory	The State should publish the citizen’s budget on the State’s website not later than the approved timeline.
2	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY19 State budget?	Not applicable, see above	Unsatisfactory	See above.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	Improved cash management and reduced revenue leakages through implementation of State TSA		Not Achieved	
1	Has the State established a functional State-level TSA?	<p>a. The State operated a modified form of TSA with two separate Treasury Accounts, one for IGR purposes and the other for statutory transfers in the FY2019.</p> <p>b. The multiple accounts are as follows:</p> <ul style="list-style-type: none"> • IGR Main Account: First Bank – No: 2031669775 • FAAC Account: UBA – No: 1012327079 	Unsatisfactory	The State should establish a functional TSA
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.	<p>a. The State has a cash management strategy named the Cash Management Strategy/Framework,</p> <p>b. The Strategy was produced on 1st December 2019 and signed by the Governor on 3rd December 2019.</p> <p>c. The Strategy includes the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements (Ref: Instruments for Cash management strategy - Page 7, No. 3) and the Cash survey report was provided.</p> <p>d. The State conducts weekly sweeping according to the Cash Management Strategy/Framework, page no. 6 (Instruments for Cash Management Strategy No. 1 - TSA).</p> <p>e. Evidence of implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds was not available for the FY 2019. However, the State claimed the cash management strategy was in use before it was formally approved by the Governor on 3rd December 2019. Some of the other evidence reviewed to ascertain the use of the strategy included a screenshot of the central view of bank balances, the sweeping of IGR</p>	Unsatisfactory	The State should ensure proper and evidence based implementation of the approved cash management strategy, in particular to show the processes through which the State is able to forecast cash commitments and requirements and provide reliable information on the availability of funds.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
		into the IGR main account with First Bank and the absence of revenue accounts owned by MDAs.														
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	<p>a. The State engaged a Consultant (Xpress Payment Solution Ltd) who handles the application - Xpress Settlement platform used to view the cash balances in the bank accounts and for sweeping every Tuesday.</p> <p>b. The Technology is in line with the Cash management strategy page No.6 (Instruments for Cash Management Strategy No. 1 - TSA).</p> <p>c. The current application was deployed in February 2017.</p>	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.	<p>a. The State has one consolidated revenue treasury account for State revenues with First Bank account number 2031669775 where all revenues are received.</p> <p>b. The revenues collected by MDAs such as service fees no longer sit in individual MDA's account at different commercial banks but are brought into the consolidated revenue account as part of the TSA through weekly sweeping from all the revenue collecting banks into the Lead Remittance Account (TSA).</p> <p>c. The 2019 Bank Statement for the Lead Remittance Account (TSA) with First Bank – No: 2031669775 was obtained.</p>	Satisfactory													
5	Does the TSA cover a minimum of 60% of the State Government's finances?	<p>The IVA computed the total cash inflow and outflow from the TSA account (Lead Remittance Account with First Bank -No:2031669775) against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2019. See the computation below:</p> <table border="1" data-bbox="674 1149 1392 1289"> <thead> <tr> <th></th> <th>Total Inflows</th> <th>Total Outflows</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>22,098,496,013.22</td> <td>22,497,873,155.75</td> </tr> <tr> <td>Government Finances*</td> <td>134,920,215,801.17</td> <td>151,606,697,757.03</td> </tr> <tr> <td>Percentage</td> <td>16.38</td> <td>14.84</td> </tr> </tbody> </table> <p>The average is percentage computation is: $\frac{16.38\% + 14.84\%}{2}$</p>		Total Inflows	Total Outflows	TSA Bank Statement	22,098,496,013.22	22,497,873,155.75	Government Finances*	134,920,215,801.17	151,606,697,757.03	Percentage	16.38	14.84	Unsatisfactory	The State's TSA should cover a minimum of 60% of Government Finances.
	Total Inflows	Total Outflows														
TSA Bank Statement	22,098,496,013.22	22,497,873,155.75														
Government Finances*	134,920,215,801.17	151,606,697,757.03														
Percentage	16.38	14.84														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p style="text-align: center;">= 15.61%</p> <p>The TSA covered 15.61% of the State's finances.</p> <p>Sources: FY2019 Audited Financial Statement, Statement No. 1Pg.1 – 4 The TSA Statement from First Bank – No: 2031669775 from January – December 2019.</p>		
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		Achieved	This is a 2020 APA result which has been assessed early as requested by the Programme
1	Does the State have up-to-date consolidated revenue code which includes all the State's IGR sources and all the local governments (falling under that State) IGR sources?	<p>a. The State has a Consolidated Revenue Law (Revenue Administration Law 2015 (Amended) and codes (Revenue Codes) with rates as a schedule to the Law. The consolidated revenue code includes the rate chargeable for each IGR source.</p> <p>b. The bill was approved by the State House of Assembly and assented to by the Governor on 29th May 2020 with amendments on Section 6 of the Revenue Administration Law 2015 and inclusion of the Schedule that includes all the State's IGR sources and all Local Governments (falling under the State) with a signed MOU with the Local Governments. Section2. 'Tax' includes any duty, levy, fine fee, or revenue accruable to the Government in full or part under this law, or any other enactment or law.</p> <p>c. The State published the revenue codes and rates in the Schedule 1 attached to the revenue law and we observed the following details:</p>	Satisfactory	The State should state the range for each of the rates for the taxes and levies currently noted as having 'varying' rates. The State should also publish guidance to the taxpayer on how the rates will be determined

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<ul style="list-style-type: none"> • Total number of taxes in the schedule is 1,459. • Total number of taxes with rates is 1,182 • Total number of taxes with “varies” is 277 which represents 18.99% of the total taxes of the State. <p>c. We further inquired from the State to explain the word “varies” in some of the taxes. The State responded and explained that “most of the revenue items whose fees are classified as “varies” are among Government revenue items whose billings/rate are determined at production floor or subject of political or other economic consideration. Also, in some cases similar revenue items are classified under the same code but with different pricing due to factors like: location of business, age of the business, size of the business, and Government policies the nature of the business.</p> <p>d. <u>Weblinks:</u> <u>Assented law:</u> https://oyostate.gov.ng/wpcontent/uploads/2017/12/Assented-Law-Revenue.pdf <u>Assented law (amendment):</u> https://oyostate.gov.ng/wp-content/uploads/2020/05/001-converted(1).pdf, https://oyostate.gov.ng/wpcontent/uploads/2020/05/002-converted(1).pdf <u>Consolidated revenue codes:</u> https://oyostate.gov.ng/wpcontent/uploads/2020/05/REV.%20CLEAN%20COPY.pdf</p>		
2	<p>Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) or the State Internal Revenue Service (SIRS) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?</p> <p>a. Section 3 (Amendment law) inserts a new Section 6 to the principal law, making the SIRS the sole agency of Government for the collection, collation administration and accounting of all the revenue (tax and non-tax). Section36 (2) SIRS may delegate collection to MDA by gazette.</p> <p>b. <u>Weblinks:</u> https://oyostate.gov.ng/wp-content/uploads/2020/05/001-converted(1).pdf</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		https://oyostate.gov.ng/wp-content/uploads/2020/05/002-converted(1).pdf		
3	Is the collection of revenues is made into accounts(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues	<p>a. The collection of revenues is made into account(s) nominated/revalidated by the SBIR.</p> <p>b. The SBIR has full oversight of the accounts and is responsible for reporting and accounting the revenue. Copies of revalidation of accounts by SBIR for revenue collection sent to the Revenue collecting banks was obtained.</p> <p>Further review:</p> <p>c. Section 33...revenue due for payment to any authority Into any of the banks designated by the board or the chairman of the relevant Local Government ...</p>	Satisfactory	
4	<p>Is the code approved by the State legislature to have a legal basis, either as a law or a resolution?</p> <p>It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2020.</p>	a. The Revenue code was approved and assented to by the Governor on 29 th May 2020 as a schedule to the Revenue Administration Law 2015 (Amended).	Satisfactory	
5	Is the Publication published online, so it is automatically available to -the public/all taxpayers?	<p>a. The Team downloaded and kept a file copy of the Law, Amended Law, Codes and Rates.</p> <p>b. The above was accessed and downloaded on 10th August 2020.</p> <p>Weblinks:</p> <p><u>Assented law:</u> https://oyostate.gov.ng/wpcontent/uploads/2017/12/Assented-Law-Revenue-(1)(1).pdf.</p> <p><u>Assented law (amendment):</u> https://oyostate.gov.ng/wp-content/uploads/2020/05/001-converted(1).pdf,</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																																				
		https://oyostate.gov.ng/wp-content/uploads/2020/05/002-converted(1).pdf Consolidated revenue codes: https://oyostate.gov.ng/wpcontent/uploads/2020/05/REV.%20CLEAN%20COPY.pdf																																						
DLR 4.2	Annual nominal IGR growth rate meets target		Not Achieved																																					
1	Has the 2019-2018 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20%-39% Stretch Target: 40% or more	a. The accounting basis used for revenue reporting in 2018 and 2019 from the Audited Financial Statements is the Cash Basis of Accounting (Report of the Accountant – General on the GPFS for the year ended 31 st December 2019, Section B – Statement of Accounting policies, No. 2). b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below: <table border="1" data-bbox="638 711 1430 1391"> <thead> <tr> <th></th> <th colspan="2">NGN</th> <th>%</th> </tr> <tr> <th>Item</th> <th>2018</th> <th>2019</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Reported IGR in AFS (Before Adjustments)</td> <td>23,510,740,409.16</td> <td>26,585,813,573.70</td> <td>13%</td> </tr> <tr> <td>2. INVALID items to be deducted IF reported as part of IGR</td> <td>325,641,935.80</td> <td>137,431,832.41</td> <td></td> </tr> <tr> <td>Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)</td> <td>66,829,197.48</td> <td>53,026,755.45</td> <td></td> </tr> <tr> <td>Sale of govt property, privatization proceeds</td> <td>0</td> <td>0</td> <td></td> </tr> <tr> <td>Investment Income (e.g. dividends)</td> <td>256,386,526.86</td> <td>82,445,389.25</td> <td></td> </tr> <tr> <td>Interest Earned</td> <td>2,426,211.46</td> <td>1,959,687.71</td> <td></td> </tr> <tr> <td>Miscellaneous</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		NGN		%	Item	2018	2019		1. Reported IGR in AFS (Before Adjustments)	23,510,740,409.16	26,585,813,573.70	13%	2. INVALID items to be deducted IF reported as part of IGR	325,641,935.80	137,431,832.41		Reimbursements/refunds related to expenditures (e.g., from FGN for Federal roads)	66,829,197.48	53,026,755.45		Sale of govt property, privatization proceeds	0	0		Investment Income (e.g. dividends)	256,386,526.86	82,445,389.25		Interest Earned	2,426,211.46	1,959,687.71		Miscellaneous				Unsatisfactory	The State should improve on its IGR collection to at least achieve the minimum annual growth rate required for the achievement of this result.
	NGN		%																																					
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	23,185,098,473.36	26,448,381,741.29	14%		
		$\frac{N26,448,381,741.29 - N23,185,098,473.36}{N23,185,098,473.36} \times 100 = 14.07\%$					
		The annual nominal growth is 14.07%. Source: 2019 Audited Financial Statement Pg. 15 -24.					
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud							
DLR 5.1	Biometric capture of at least [75] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll					Not Achieved	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 75% of the current civil servants and pensioners on the State payroll?	<p>a) The State commenced and completed the Biometric data capture of the civil servants in 2016 but has not commenced biometrics capture for pensioners. It only conducted verification exercise for pensioners.</p> <p>b) Biometrics data capture was outsourced to Soft Alliance and resources Ltd</p> <p>c) The total no of civil servants as of 31 December 2019 was 24,929.</p> <p>d) The total no of pensioners as of 31 December 2019 was 19,397.</p> <p>e) The total no of staff on the State Nominal roll was 24,929, and on Payroll was 24,462 as at 31 December 2019.</p> <p><u>For Civil servants</u>, 24,462 civil servants out of 24,929 have been captured on biometrics.</p> <p><u>For pensioners</u>, the 19,397 pensioners have not been captured on biometrics.</p>				Unsatisfactory	The State should ensure biometric capture covers at least 75% of pensioners

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>To confirm reliability of biometrics database, the State’s biometrics, and payroll consultant (Soft Alliance and Resources Ltd) made presentation to the team and screenshots were obtained from the biometrics database of civil servants. Ten civil servants were randomly called in the Ministry of Finance premises and their IDs were queried on the system as well as five staff, from payroll data (from Governor's Office, Ministry of Budget, and Teaching Service Commission). All their details returned correct.</p> <p>The State maintained electronic database of the pensioners. Ten samples were selected among pensioners who came for enquiries. Their names and retirement dates were collected and queried on the payroll database, which returned satisfactory. We visited State Pensions Board to conduct on-the-spot assessment of the biometrics database.</p> <p>The State has not captured the biometrics of the pensioners as at FY2019 which has now been captured for FY2020.</p> $\frac{24,462 + 0}{24929 + 19397} \times 100 = \underline{\underline{55.19\%}}$ <p>The State had captured 55.19% of the State’ civil servants and pensioners.</p> <p>Sources:</p> <ol style="list-style-type: none"> 1. Screenshot from Live staff biometrics/ payroll database presentation by State’s Biometrics Consultant. 2. Screenshot of biometrics data of randomly selected staff and their biometrics data were queried on the database. 3. Questionnaires administered to selected staff and pensioners. 4. One-page report of biometrics implementation 5. Nominal rolls of civil servants and pensioners. 		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<ol style="list-style-type: none"> a) The State started and completed biometrics capture for the civil servants in 2017. b) The State has linked 24,462 civil servants out of 24,929, representing 98.13% biometrics capture, to the payroll. But the pensioners’ data have not been linked to biometrics database. This was confirmed 	Unsatisfactory	Pensioners’ biometrics data should be captured and linked to the payroll.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>during the Verification Team 's visit to Pensions Board and conducted a live view of pensioners database and screenshots were taken.</p> <p>c) Also, the State started biometrics data capture since 2016 and has cleared ghost workers from the system. However, a payroll cleanup was conducted in October 2019 by Express Payment Solutions Ltd. This led to suspension of salaries of 1,308 civil servants for irregular BVN data and not ghost workers.</p> <p>d) For civil servants, State conducted staff BVN verification in February 2018 where the State was able to make annual saving of ₦679,320,913.56 (report already formed part of 2018 APA report). Also, there is continuous payroll clean up and verification process in place. We obtained a copy of the report of payroll clean up in October 2019.</p> <p>e) For civil servants, total payroll before payroll clean up in September 2019 was ₦5,465,431,242,87. After stoppage of salaries, in October 2019 the total payroll was ₦5, 309,485,053.16. For pensioners, before report of 25 deceased, pension payroll was ₦870,101,794.03 and after removal of dead pensioners in December 2019, ₦867,314, 882.61.</p> <p>f) The State carries out periodic payroll clean up. The most recent being in October 2019. For civil servants, 1,308 were stopped for various BVN irregularities, while 25 pensioners died, and 70 new pensioners were added. The civil servants affected were reinstated after clearing BVN irregularities with their banks. Dead pensioners were removed, and the new pensioners added in December 2019 Payroll.</p> <p>Sources:</p> <p>1. For pensioners, Variance Analysis and Payroll schedule (payroll was returned after review) for the Month of December 2019.</p> <p>g) Report of civil servant's payroll clean up by Express Payment Solutions.</p>		
3	Has the State removed confirmed ghost workers and ghost pensioners within three	<p>a) For civil servants, 1,308 were stopped for various BVN irregularities after the payroll clean up in October 2019. Their salaries were stopped. We obtained report of the clean-up done by Express Payment Solutions Ltd.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	(3) months of each case being confirmed?	<p>b) For civil servants, total payroll figure before payroll clean up in September 2019 was ₦5,465,431,242,87. For pensioners, before the report of 25 deceased persons, the pension payroll was ₦870,101,794.03.</p> <p>c) After stoppage of salaries, in October 2019 the total payroll was ₦5,309,485,053.16 for civil servants.</p> <p>d) After removal of dead pensioners in December 2019, pension payroll was ₦867,314, 882.61.</p> <p>Sources:</p> <p>1. Payroll Clean up Report from Express Payment Solutions Ltd Follow up report from Permanent Secretary, Ministry of Finance on payment of salaries of civil servants with irregular BVN records3. Pensioners Variance Analysis Report from Pension Board</p>		
5.2	Link BVN data to at least [75] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		Achieved	
1	Has the State linked the Bank Verification Number data to 75% of its current Civil Servants and pensioners on the State payroll?	<p>a) The State commenced civil servants BVN capture along with biometrics exercise in 2017. The process continues for new recruitments.</p> <p>b) The State engaged “Soft Alliance & Resources Ltd” as the consultant handling the BVN and Biometric data linkage.</p> <p>c) The total no of civil servants was 24,929</p> <p>d) The total no of pensioners was 19,397</p> <p>e) The total no of staff on the State Nominal roll were 44,326</p> <p>f) Total BVN data linked to the payroll was 42,165</p> <p>g) One-page report on civil servants BVN records</p> <p>We obtained the screenshot of payroll database, Pension Variance Analysis Report from Pension Board, and Screenshot of Pension Payroll database.</p> $\frac{17,703 + 24,462}{24,929 + 19,397} \times 100 = \frac{42,165}{44,326} \times 100 = \underline{\underline{95\%}}$	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The State has linked 95% of the State' civil servants and pensioners BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	<p>a) Staff with BVN data were 24,462 and without BVN data were 467.</p> <p>b) The State started biometrics data capture since 2017 and has cleared ghost workers from the system. However, a payroll clean-up was conducted by Express Payment Solutions Ltd, which led to suspension of salaries of 1,308 civil servants for irregular BVN data and not ghost workers. They were reinstated after clearing the BVN irregularities. Report was obtained to confirm the exercise and the names of those affected.</p> <p>c) The civil servant's payroll clean-up was conducted in October 2019. Elimination of dead pensioners from payroll was in December 2019.</p> <p>d) The payroll figure prior to the clean-up was: civil servants- N5,465,431,242.87; pensioners-N870,101,794.03</p> <p>e) The payroll figure after clean-up was civil servants- N5, 309,485,053.16. For pensioners- N867, 314, 882.61.</p> <p>f) Payroll Clean up Report from Express Payment Solutions Ltd</p> <p>g) Follow up report from Permanent Secretary, Ministry of Finance on payment of salaries of civil servants with irregular BVN records.</p>	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	Publish contract award information above a threshold set out in the Operations Manual for 2019 on a monthly basis in OCDS format on [the State website/on the online portal]		Achieved	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year(2019) that are above the threshold (as defined in the State procurement law or in the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS).	<p>a. The State published online (on monthly basis), the contract award information for the contracts awarded above the threshold during the year 2019 in line with the Open Contracting Data Standards (OCDS).</p> <p>b. We obtained the file hard copy of the database of the contracts awarded during the fiscal year.</p> <p><u>Weblinks:</u> https://oyostate.gov.ng/bureau-of-public-procurement http://www.ocdsoyo.oyostate.gov.ng/</p>	Satisfactory	
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.		Achieved	This is a 2020 APA result which has been reviewed early as requested by the programme.
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	a) The State has an approved Debt Management Agency Law, 2013, amended in 2020. Copies of Oyo State Debt Management Agency Law, 2013 (assented on 21 October 2013) and Oyo State Debt Management Agency (Amendment) Law, 2020 were obtained from the State. The Amended law downloaded from the website was not	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic PFM Law?	<p>assented by the executive Governor. However, the hard copy presented during field visit was assented by the executive Governor</p> <p>b) Amended law's date of approval/assent was on 29th May 2020.</p>		
2	<p>Does the legislation include provisions which establish the following?</p> <p>1) Responsibilities for contracting state debt;</p> <p>2) Responsibilities for recording/reporting state debt; and</p> <p>3) Fiscal and debt rules/limits for the state.</p>	<p>Oyo State Debt Management Agency (Amendment) Law, 2020 includes all the required provisions:</p> <p><u>(i) Responsibilities for contracting State debt:</u></p> <p>Section 20-Authorisation to borrow for external loans vested in the House of Assembly.</p> <p>Section 22 -provides the Commissioner of Finance and the Accountant-General of the State, with the support of the Debt Management Agency undertake domestic borrowings operations.</p> <p>Section 23 gives explicit mandate to the Commissioner of Finance to borrow externally and domestically.</p> <p>Section 26-House of Assembly approves terms and conditions for external loans and guarantees.</p> <p>The legal authorisation to contract external loans is clearly stated in the Oyo State Debt Management Agency Law (as Amended), including an explicit mandate to the Commissioner of Finance to borrow externally and domestically. However, authorization by the House of Assembly does not extend to domestic borrowing, which it should. This gap has not however affected our conclusion, as the law does not fail to state where the responsibility for domestic borrowing lies. Specifically, the Verification Protocol requires the law to state where the responsibility lies for contracting state debt. It does not require the state to ensure all debts are approved by the legislature.</p> <p><u>(ii) establishing responsibilities for recording and reporting state debt:</u></p> <p>The law provides for the establishment of a Debt Management Agency with the responsibility of negotiating, managing, and recording debt operations, including an advisory role, among other functions:</p> <p>Sub-section 5(d) - "prepare and submit to the State a forecast of loan service obligation for each year".</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>5 (n): “prepare a schedule of the State's other debt obligation such as trade debts and other contingent liabilities, both explicit and implicit, and provide advice on policies and procedure for their management”.</p> <p>5(p): “collect, collate and disseminate information, data and forecast on debt management with the approval of the Committee”</p> <p><u>(iii) establishing fiscal and debt rules/limits:</u> Sub-section 5(e) states "prepare and implement a plan for the efficient management of the State's debt obligations at sustainable levels compatible with desired economic activities for growth and development:"</p> <p>5(j) ..."set quantitative limits and guidelines for managing State's financial risks and exposure with respects to all loans and instruments"</p> <p>5(l) ..."advise the State on the terms and conditions as to which monies are to be borrowed; and submit to the Government for consideration whether in the currency of Nigeria or in any other currency to be borrowed.”</p>		
4	<p>Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) has been operational during the APA year and performing the core function of recording and reporting state debt.</p> <p>a) There is an operational Debt Management Department, headed by a Director who performs the core function of recording and reporting State debt.</p> <p>b) The department is domiciled in the building of State Ministry of Finance. A physical inspection of the department was conducted by the IVA on 18th August 2020. The department is situated in the State's Ministry of Finance building and it is operational. The department has a compliment of nine staff (1 Director and 8 other staff). The team interviewed the Director (Head of Department) and selected staff of the department on the operation.</p> <p>c) The Picture of the entrance to the department was also taken.</p> <p>Evidence: Pictures of interview session with the Director in his office were taken.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 7.2	Quarterly State debt reports accepted by the DMO on average two months or less after the end of the quarters in 2019		Achieved	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2019?	<p>The State produced its quarterly domestic debt reports approved by the DMO on average of 1.28 months after the end of the quarter. 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"> • Q1 submitted on (7th May 2019) 5.3 weeks • Q2 submitted on (8th August 2019) 5.6 weeks • Q3 submitted on (14th November 2019) 6.4 weeks • Q4 submitted on (13 February 2020) 6.3 weeks $\frac{5.3+5.6+6.4+6.3 \text{ (weeks)}}{4}$ $\frac{23.60\text{weeks}}{4}$ $=5.9 \text{ weeks}$ <p>The SDDRs were submitted within an average of 5.8weeks (1 month and 12 days).</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	<p>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.</p>	<p>We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Oyo State Debt Domestic Report and both showed the same amount of ₦135,400,731,962. The report was supported with the DMO's templates and guidelines.</p> <p>We reviewed the DMO report and the DMO report confirmed the accuracy and completeness of the State Domestic Debt Report.</p> <p>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.</p> <p>Conclusions reached in this report are based on the amended DMO data.</p>	n/a	
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	<p>Domestic arrears as of end 2019 reported in an online publicly accessible database, with a verification process in place and an arrears clearance framework established.</p> <p>AND</p> <p>Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework.</p> <p>-Basic target: At least a 5% decline or maintain stock below N5 billion</p>		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	-Stretch target: More than 20% decline			
1	Has the State established an Arrears Clearance Framework (ACF)?	<p>a) The State has established an Arrears Clearance Framework (ACF). The Arrears Clearance Framework was established through executive assent on 23rd December 2019.</p> <p>b) A copy of the ACF was obtained from the State. The ACF was also published on the Oyo State Ministry of Finance's website.</p> <p>c) ACF was established through executive assent on 23rd December 2019.</p>	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<p>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</p> <p>b) The ACF's planned actions/ procedures to settle expenditure arrears are:</p> <ul style="list-style-type: none"> • Designing of annual cash plan for the State, • Prioritisation of domestic expenditures. <p>c. Explicit prioritization of expenditure arrears to be settled is detailed in Chapter 6 of the ACF. The prioritization is in the following order using First-In First-Out:</p> <ul style="list-style-type: none"> • Gratuity Arrears. • Pension Arrears. • Judgment Debt and Contractor Arrears. • Salary Arrears. • Other Arrears (deferred statutory deductions, utility bills). <p>c) Evidence is in Chapter 6 (Procedures for Clearance of Domestic Expenditure Arrears) of the Oyo State Domestic Arrears Clearance Framework</p>	Satisfactory	
3	Has the ACF been published on a State official website?	<p>a) Arrears Clearance Framework was published on a State's official website</p> <p>b) A copy of the ACF was downloaded from the State's official website.</p> <p><u>Weblink:</u></p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		https://oyostate.gov.ng/wp-content/uploads/2020/08/OYO-STATE-GOVERNMENT-DOMESTIC-ARREARS-CLEARANCE-FRAMEWORK-2019.pdf		
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The arrears clearance is not consistent with the ACF, because the State does not have a comprehensive internal domestic arrears database. The database presented only included contractors and pension & gratuities arrears.	Unsatisfactory	The State should ensure that the clearance of domestic expenditure arrears is consistent with the ACF
5.	Has the State established an Internal Domestic Arrears Database?	The State has an Internal Domestic Arrears Database. However, the internal domestic expenditure arrears database provided by the State was not comprehensive as compared with the information provided in the SDDR by the State. The arrears excluded are: Judgement Debts - ₦106,468,643.85 and Other debts - ₦12,845,000. a) The state did not submit to the IVA the annual state arrears recording, verification, and clearance report (SARVCR). b) The domestic debt figures in the audited financial statements was compared with SDDR Q4 figures. There were discrepancies of ₦7,867,277,695.08.	Unsatisfactory	The state should ensure they establish a complete internal domestic arrears database which should include aggregate and individual amounts of contractors' arrears; pension and gratuity arrears; salary arrears and other staff claims
6	Has the State published online elements of the internal domestic arrears database for the FY 2018 and FY 2019 reported on a State official website, which constitutes the online publicly accessible arrears database?	a) The State did not publish online the required elements of Internal Domestic Arrears Database as at end of 2018 and 2019. b) There were no aggregate and individual information available on the online publicly-accessible arrears database to compare with the information in the internal domestic arrears database and verify the consistency and accuracy of the information on the online publicly-accessible arrears database. c) The State did not have website supporting the online publicly accessible arrears database. There was no electronic link that permits any potential contractor creditor whose individual claim is	Unsatisfactory	The State should ensure for your support so far. its publishes online, the required elements of the Internal domestic arrears database.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>not listed in the database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online and attaching supportive evidence of her claim. If the State Ministry of Finance confirms the validity of this claim, it shall be added to the internal domestic arrears database and included as relevant in the online publicly accessible arrears database.</p> <p>d) No record was obtained from the state on the omissions reported by contractors in each year and how they were treated.</p>		
7.	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding N20million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	<p>There was no online publication covering the aggregates amounts for the four types of arrears as shown.</p> <p>Same as above.</p>	Unsatisfactory	The State should ensure it publishes online lists of contractors with recognized arrears exceeding N20million.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																					
	<p>Has the State met the following? (ii) Percentage decline in the verified stock of domestic arrears at end 2019 compared to end 2018 meets target and is consistent with the state's arrears clearance framework. -Basic target: At least a 5% year-on-year decline or maintain stock or arrears below N5billion. -Stretch target: More than 20% year-on-year decline.</p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2019</th> <th>2018</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>4,911,408,676.72</td> <td>4,737,564,954.17</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>30,075,100,160.93</td> <td>24,825,840,839.49</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>0</td> <td>0</td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td>12,845,000.00</td> <td>6,431,232.52</td> </tr> <tr> <td>Judgement Debts</td> <td>106,468,643.85</td> <td>41,806,298.64</td> </tr> <tr> <td>Total Domestic Arrears</td> <td>35,105,822,482</td> <td>29,611,644,325</td> </tr> </tbody> </table> <p>a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database.</p> $\frac{N29,611,644,325 - N35,105,822,482}{N29,611,644,325} \times 100$ <p>The percentage increase is 18.5% Source: State internal domestic expenditure arrears database</p>	Aggregate Amount of:	2019	2018	Contractors Arrears	4,911,408,676.72	4,737,564,954.17	Pension and Gratuity arrears	30,075,100,160.93	24,825,840,839.49	Salary arrears and Staff claims	0	0	Other types of domestic expenditure arrears	12,845,000.00	6,431,232.52	Judgement Debts	106,468,643.85	41,806,298.64	Total Domestic Arrears	35,105,822,482	29,611,644,325	Unsatisfactory	The State should ensure it maintains a domestic debt stock below N5billion or achieves a reduction of at least 5% year on year.
Aggregate Amount of:	2019	2018																							
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Pension and Gratuity arrears	30,075,100,160.93	24,825,840,839.49																							
Salary arrears and Staff claims	0	0																							
Other types of domestic expenditure arrears	12,845,000.00	6,431,232.52																							
Judgement Debts	106,468,643.85	41,806,298.64																							
Total Domestic Arrears	35,105,822,482	29,611,644,325																							
DLI 9: Improved Debt Sustainability																									
DLR 9.0	<p>Average monthly debt service deduction is < 40% of gross FAAC allocation for FY [2019] AND Total debt stock at end Dec [2019] as a share of total revenue for FY [2019] meets target: -Basic target: < [140%] -Stretch target: < [115%]</p>		Achieved Basic Target met																						
	<p>Has the State met: (i) the ratio of total monthly debt service (principal and interest) deductions from FAAC allocation during the calendar year of the year of assessment (1st January</p>	<p>The IVA computed the percentage of total monthly service deductions/Gross FAAC Allocation for this year APA.</p> <p>Total Service Deduction $\frac{N11,937,825,275}{N67,630,065,927} \times 100$ Gross FAAC Allocation =17.7%</p> <p>Source: FMoF (FAAC)</p>	Satisfactory																						

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																						
<p>to 31st December 2019) to the gross FAAC allocation for the same calendar year?</p> <p>Less than :< [40%]</p>																									
<p>Has the State met:</p> <p>(ii) the ratio of total debt stock at end-of-year (31st December 2019) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2019)?</p> <p>-Basic target:< [140%] -Stretch target: < [115%]</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p>Total Public Debt</p> <table border="1" data-bbox="606 513 1367 643"> <thead> <tr> <th></th> <th>Financial Statements</th> <th>DMO figures (Adj)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>99,422,376,599.30</td> <td>104,740,449,626</td> </tr> <tr> <td>Total External Debts</td> <td>32,024,201,985.35</td> <td>30,660,282,337</td> </tr> <tr> <td>Total Public Debts</td> <td>131,446,578,584.65</td> <td>135,400,731,962</td> </tr> </tbody> </table> <p>Total annual revenue</p> <table border="1" data-bbox="606 727 1360 906"> <tbody> <tr> <td>2019 Adjusted IGR (see DLI 4.2)</td> <td>26,448,381,741.29</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>67,630,065,927.00</td> </tr> <tr> <td>Grants</td> <td>5,178,721,089.57</td> </tr> <tr> <td>Other Revenues</td> <td>84,405,076.96</td> </tr> <tr> <td>Total Revenue**</td> <td>99,341,573,834.82</td> </tr> </tbody> </table> <p>a. <u>The State’s domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2019 is as at the end of Q4 2019.</u></p> <p>We have computed the total debts stock/Revenue percentage for the 2019 year, as follows:</p> $\frac{N135,400,731,962^*}{N99,341,573,834.82} \times 100$ <p style="text-align: center;">=136.30%</p> <p>Sources: Total Revenue: FY2019 Audited Financial Statement, Statement No 1. Total Public Debt: Sept 2020 Debt Report from DMO, CBN and World Bank and Appendix I and II of the DMO dated July 8th, 2020 with Reference No: DMO/SPD/076/158 as at December 31, 2019. *Table 3 below holds a breakdown of the Total Debt.</p>		Financial Statements	DMO figures (Adj)	Total Domestic Debts	99,422,376,599.30	104,740,449,626	Total External Debts	32,024,201,985.35	30,660,282,337	Total Public Debts	131,446,578,584.65	135,400,731,962	2019 Adjusted IGR (see DLI 4.2)	26,448,381,741.29	Gross FAAC Allocation	67,630,065,927.00	Grants	5,178,721,089.57	Other Revenues	84,405,076.96	Total Revenue**	99,341,573,834.82	Satisfactory	
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Total Revenue**	99,341,573,834.82																								

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>**Table 3(ii) holds the breakdown of Revenue</p> <p>(a) The Total State Debt Stock is ₦135,400,731,962. This includes: i. Total Domestic Debt (₦104,740,449,626) and ii. Total External Debt (₦30,660,282,337).</p> <p>(b) The Total Adjusted State Revenue is ₦99,341,573,834.82. This includes: i. Total Gross FAAC allocation: Statutory Transfers and VAT (₦67,630,065,927.00) ii. Total Adjusted IGR as calculated for DLI 4.2 (₦26,448,381,741.29) iii. Grants: Internal and External Grants - (Nil) iv. Other Revenues: Investment Income and Interest Earned (₦84,405,076.96)</p> <p>(c) The Oyo State ratio of total debt stock at the end of year (31st December 2019) is 136.30% which is less than 140%, therefore, the State met the basic target.</p> <p>(d) The debt stock stated in the Federal DMO State Domestic and External Debt Report (SDEDR) is not the same with the debt stock stated in the audited financial statement.</p> <p>(e) The IVA observed the difference between the debt stock stated in the Financial Statement and the SDEDR provided by the Federal DMO.</p> <p>(f) The difference has been communicated to the State for explanation. The State has not responded to the APA Issue as at the time of this report.</p> <p>(g) The difference has been calculated in value to be ₦3,954,153,377.35 and percentage terms (3%),</p> <p>(h) The SDEDR was not amended by the State.</p>		

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

OYO STATE	AMOUNT (₦)
BUDGET SUPPORT LOAN (SOURCE FMOF)	21,081,217,713
BAIL OUT (SALARIES) (SOURCE CBN)	24,168,455,675
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	8,661,119,944
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,160,787,183
STATE BONDS	1,374,659,242
COMMERCIAL BANK LOANS	3,974,265,388
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
INFRASTRUCTURE LOAN (CBN FACILITY)	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	1,214,122,000
JUDGEMENT DEBTS	106,468,644
GOVT - GOVT DEBTS	-
CONTRACTORS' ARREARS	4,911,408,677
PENSION AND GRATUITY ARREARS	30,075,100,161
SALARY ARREARS AND OTHER CLAIMS	-
OTHER DEBTS	12,845,000
TOTAL DOMESTIC DEBT (TDD)	104,740,449,626
TOTAL EXTERNAL DEBT (TED)	30,660,282,337
TOTAL PUBLIC DEBT (TED+TDD)	135,400,731,962

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

	NGN
Item	2019
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	67,630,065,926.96
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	48,523,202,045.96
1.1.1 Gross statutory allocation	46,425,895,705.00
1.1.2 Derivation	-
1.1.3 Other FAAC transfers (also known as Distribution) such excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	2,097,306,340.96
1.2 VAT	19,106,863,881.00
2. Internally Generated Revenues (IGR) - Adjusted	26,448,381,741.29
3. Grants (internal and external)	5,178,721,089.57
4A. Other revenues (4.1 + 4.2 + 4.3)	84,405,076.96
4.1 Investment Income (e.g. dividends)	82,445,389.25
4.2 Interest Earned	1,959,687.71
4.3 Miscellaneous	-
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	99,341,573,834.78

4. Response from the State

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

S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p>The State agree with the findings and conclusion of IVA on DLRs 1.1, DLR 1.2, DLR 2.1, DLR 2.2, DLR 4.2, DLR 5.1, DLR 5.2, DLR 6.1, DLR 6.2, DLR 7.1, DLR 7.2, DLR 8.and DLR 9</p>	
2	<p>The State disagree with the finding and conclusion of IVA team on DLI 3 and wish to submit as follows:</p> <p>DLI 3: - Improve cash management and reduce revenue leakage.</p> <p>The DLI has five (5) protocols to achieve. The report indicated that, the state achieved Two (2) out of the five (5) protocols and was adjudged satisfactory thereon while the performance or submission on the remaining three (3) were unsatisfactory.</p> <p>Protocol 3.1: Has the state established a functional state - level TSA</p> <p>FINDINGS:</p> <p>The State operate a modified form of TSA with two separate Treasury Accounts, one for IGR purposes and the other for statutory transfers in the FY2019.</p> <p>The multiple accounts are as follows:</p> <p style="padding-left: 40px;">IGR Main Account: First Bank – No: 2031669775</p> <p style="padding-left: 40px;">FAAC Account: UBA No: 1012327079</p> <p>CONCLUSION: Unsatisfactory</p> <p>Our Position:</p> <ol style="list-style-type: none"> 1. The believe of the State before Year 2018 APA was that our TSA system is perfect, because it is yielding desired result and was assessed perfect by FSP consultant in Year 2017 2. Secondly, Year 2018 Annual Performance Assessment (APA) was carried out in November 2019. Therefore, there is no way the State could remodel its TSA structure against Year 2019 assessment exercise. 	<p>We have noted your responses and concerns and the new information provided. Note that the State Result Submission Form and the Information Request Form duly filled by the State did not refer to or provide the documents referred to in your response.</p> <p>Most importantly, please note that the results are binary in nature, and for any DLI to be rated as <i>Achieved</i>, all the tests protocols for the overall DLI must be satisfactory. Any “unsatisfactory” protocol verification will automatically make the overall DLI <i>Not Achieved</i>.</p>

3. In addition, the operation of one collection account for all receipts will frustrate the activities of the state without remodeling the existing structure to accommodate the peculiarity of our system. This require planning, re-orientation and re-direction of our activity. All the above requirements for the results would have been carried out before end of 2019 if year 2018 APA Result had been received before mid-2019.
4. You will also recall that it was explained during Year 2018 assessment that the state has obligation with her bank to pay civil servants salary by 25th of every month, which is one of the major core mandate to deliver on. The State Government has been keeping to this promise since the beginning of this administration and failure to meet up may embarrass the Government.
5. Further to the above, FAAC transfer used for salary payments normally hit the State Government Account between 23rd and 24th of every month in the past and it will be too late for the State to meet the salary payments deadline if the State would have to wait for additional five days, for which the fund will be moved to TSA Accounts and re-process to FAAC Accounts again and finally transfer to State Salary Accounts, where payment is eventually made to staffs.

The State is of opinion that TSA has no fixed model functionality of TSA system is determine not only by structure alone but in its ability to meet the objective of IMPROVED CASH MANAGEMENT.

However, sequel to the recommendation of the Year 2018 APA, the State has remodeled the TSA operation and have started moving all FAAC transfers through TSA with effect from June 2020. Therefore, our inability to align with required structure is due to the above stated reason.

Finally, we wish to submit that the TSA structure was efficient, effective and has tremendously impact our cash management system and reduce revenues leakages. This was corroborated by your findings and conclusion on protocol 3.3 and protocol 3.4 of the DLI.

Protocol 3.2: Is there a formally approved cash management strategy in place?

Findings:

- a. The State has a cash management strategy named 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 and requirements (Ref: Instrument for Cash management strategy – page 7, No 3) and cash survey report was provided.

- d. The State conducts weekly sweeping according to the cash Management Strategy/Framework, page No. 6 (Instruments for Cash Management Strategy No 1 TSA).
- e. Evidence of implementation of processes described in the cash management strategy to forecast cash commitment and requirement and provide reliable information on the availability of funds was not available for the FY2019. However, the state claimed the cash management strategy was in use before it was formally approved by the Governor on 3rd December 2019. Some of the other evidence reviewed to ascertain the use of the strategy included a screenshot of the central view of bank balances, the sweeping of IGR into the IGR main account with First Bank and the absence of revenue accounts owned by MDAs.

CONCLUSION: Unsatisfactory

Our position:

Your report also stated that the state cash management strategy was produced on 1st December 2019 and signed on 3rd December 2019.

With regard to this, kindly note that the document is a *wrap-up of all processes and procedures that has been in existence even before commencement of SFTAS programme, in the State* and documentary evidence supporting this position is available. The processes and procedures mentioned in the cash management strategy are part of our routine activities as a State.

Although the State do not have a medium-term expenditure framework but there is an adaptation developed in June, 2019 known as Oyo State Road Map for Accelerated Development 2019-2023 (**Annexure i**). This document served as policy thrust of Government. (copy attached).

The document highlights key area of infrastructural deficit and other challenges of the state with strategic solution for bridging the gap and accomplishing the challenges. It is from this perspective that our year 2019 amendment budget was carry out, and it form the basis of this that the year 2019 budget of the State was reviewed. This document also identifies various loopholes in government which affected Budget estimates and forecast. Your findings under 3.2e of the reports on this DLI also indicated that *evidence of implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds was not available for the year 2019.*

This is not true as the State is able to forecast its cash commitment and requirement and reliable information of fund through the use of Annual Cash Plan, monthly Budget, and weekly Budget.

The Annual Cash Plan (**see Annexure v**) is a consolidated statement of cash inflow and outflow drawn from Budget Estimates.

The monthly Budget (**see Annexure vi**) is the breakdown of Annual Cash Plan otherwise known as Consolidated Cash Budget on monthly basis.

The weekly Budget (**see Annexure vii**) is prepared from actual receipts and outstanding vouchers forwarded from MDA's during the week. Weekly cash budget is prepared from the inflows and proposed payment.

Evidence of this processes are available and some were provided during the assessment, among those provided are central view of bank balances, documentary of evidence of sweeping of IGR into main TSA accounts with first bank, sweeping reports by the consultants engaged for TSA. Other available evidence not requested for are:

- Annual cash plan or cash/forecast. (see annexure v)
- State monthly Cash Plan.
- State Monthly cash Budget, (monthly breakdown of actual cash). Budget ---- Annexure vi
- Weekly cash Budget /fund flow statement. -----Annexure vii
- Treasury board report for 2019 budget. (Secret)

Annual cash plan: The annual cash plan contains revenue and expenditure projection of the state for the year 2019 and its attached to the yearly budget.

At the beginning of budget Year, the Treasury prepare a consolidated cash plan for the Year.

The cash plan detailed all expected cash inflow and cash outflow based on approved Budget. Each MDA forward that capital project implementation schedule to Ministry of Budget and Planning stating the stages of execution of each project and the expected cash requirement.

The cash requirements are wrapped up to develop Capital Expenditure projection.

This is further subdivided into monthly cash Capital Expenditure, cash forecast.

The Annual personnel cost of all MDA's is also subdivided into monthly personnel cash forecast.

The same system mentioned is applied to overhead and CRFC projection.

The state monthly cash plan provides a guidance tool for the execution of weekly cash Budget.

- Lead Bank produce copy of inflow to TSA from revenue generating Banks.
- All revenue banks submit their weekly statement to BIR for reconciliation
- All payment vouchers from MDA in the Treasury are collated for inclusion in Cash Budget.
- On weekly basis
- The cash inflow to all banks are collated and total actual cash inflow is ascertained.
- This is reconciled with expected cash inflow
- List of matured and future commitments is generated and included in weekly Cash Budget

- This list of outstanding vouchers generated, and financial implication computed for inclusion into cash budget
- Weekly Cash Budget is prepared
- Any material surplus is invested
- Short fall is investigated, and alternative source of funding sought, or adjustment is made to the expenditure side, by deferring some expenditure based on priority.

Protocol 3.5: Does the TSA cover a minimum of 60% of the State Government’s finances?

Findings: The IVA computed the total cash inflow and outflow from the TSA account (Lead Remittance Account with First Bank – No:2031669775) against the total government finances inflows and outflows as contained in the Cash flow Statement for the year ended 2019. See the computation below:

	Total inflows	Total outflows
TSA Bank Statement	22,098,496,013.22	22,497,873,155.75
Government Finances	134,920,215,801.17	151,606,697,757.03
Percentage	16.38	14.84

The average is percentage computation is:

$$\frac{16.38\% + 14.84\%}{2}$$

$$= 15.61\%$$

The TSA covered 15.61% of the state’s finances.

Sources:

FY2019 Audited Financial Statement, Statement No. 1pg.1 – 4 The TSA Statement from First Bank – No: 2031669775 from January – December 2019.

CONCLUSION: Unsatisfactory

RESPONSE:

The response for this protocol has been explained under our response to your findings and conclusion on protocol 3.1 and 3.2

CONCLUSION:

While appreciating the IVA team for the robust detailed draft report we hereby wish to state as follows:

1. The state has a functional TSA and is an adaptation of the real structure required by SFTAS and is fulfilling the major objectives of TSA which is **improve cash management and reduction in revenue leakages**.
2. The state TSA is evidence based and base on explanation and a relevant evidence attached it is clear that the state cash management strategy aligns with financial processes of the state and is able to forecast cash commitment, requirement and provide reliable information on availability of funds.
3. Sequel to receipt of Year 2018 APA Report, this year, the State has remodel its TSA structure to reflect the requirement of SFTAS.

DLI 4.1

We also noted that your findings and recommendation that the State should state the range for each of the rates for the taxed and levies currently having vary in rate and State should also publish guidance to the tax payer on how the rates will be determined.

The state has set up machinery to ensure that the billing guide is published online to reduce uncertainty on the part of taxpayer and loss of revenue to government arising from underpricing.

ANNEXURES

- (i) Oyo State Roadmap for Accelerated Development (2019-2023)
- (ii) Summary of Approved Year 2019 Budget – Revenue/Inflow Forecast
- (iii) Summary of Approved Budget - Expenditure Forecast
- (iv) Five years Financial Highlight
- (v) State Annual Cash Plan/Forecast
- (vi) Monthly Cash Budget
- (vii) Weekly Cash Budget

Appendix A

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

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

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

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

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

Information Source(s)	Initial checks	Initial Comments / Observations	Follow up	Final Assessment
https://oyostate.gov.ng/ministry-of-budget-and-economic-planning/ https://oyostate.gov.ng/	A search was done on Oyo State website	The 2020 Budgets were published on the State Official website, a copy was downloaded.	A request was made on 09/01/2020 to the focal persons to provide evidence of the approved 2020 budget and Governor's assent.	EC met A weblink was received from the focal person on 23/01/2020 which provided evidence of Governor's assent

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

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

Source(s)	Initial Work Done	Initial Comments / Observation	Follow up	5. Final Assessment
https://oyostate.gov.ng/office-of-the-accountant-generalstate/#1567515923689-706a349c-3b531-Statement.pdf	A search was done on the Oyo State Office of Accountant-General website and the Audited Financial Statements were downloaded separately.	Oyo state split the Audited Financial Statements which were downloaded separately. They should be merged into a single file for ease of accessibility.	N/ A	EC met

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