



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

2021 Annual Performance Assessment (APA) Report

AKWA IBOM STATE

By:

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



FINAL REPORT

DECEMBER 2022

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1. Executive Summary

This report details the outcome of the Annual Performance Assessment (APA) conducted on Akwa Ibom State for the 2021 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 2021 APA for Akwa Ibom and shows areas where the State was able to achieve results. In total Akwa Ibom State achieved 13 (Thirteen) DLRs out of 15 DLRs applicable to the 2021 APA of which 3 (Three) DLRs were achieved in the 2019 and 2020 APAs.

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: FY21 quarterly budget implementation reports for Q1, Q2, Q3 and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY21 deviation for total approved original budget expenditure is < 15%		Budget deviation was 21%
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 FY2022 budget and citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms.		
	DLR 2.2: Citizen's Accountability Reports based on audited financial statements /reports are summarized and comprehensible versions of the audited statements and details of State government public consultations with citizens presenting the annual financial statements should be made available on the state official website (s) by 30th September of each subsequent financial year.		
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 80 percent of state government finances.		
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	2020	
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target	Basic Target	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	- Basic target: 20%-39% - Stretch target: 40% or more		
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 95 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		
	DLR 5.2 : Link BVN data to at least 95 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency; and 3) Cover all MDAs receiving funds from the state budget	2019	
	6.2 No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs AND For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available		<ul style="list-style-type: none"> • The state did not implement e-procurement in at least 4 MDAs by the due date. • The State did not implement the e-Registration, e-Publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules
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.	2020	
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021 AND Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021.		
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2020 and end 2021 reported in an online publicly accessible database, with verification process in place. AND Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework. Basic target: At least a 5 percent decline or maintain stock below 5 billion naira Stretch target: More than 20 percent decline	Stretch Target Met	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021 AND Total debt stock at end of December 2021 as a share of total revenue for FY2021 meets target: Basic target: < 120%, Stretch target: < 95%.	Basic Target Met	

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

1. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
2. DLR 6.2: Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs.

The Office of the Auditor-General for the Federation (OAuGF) as Independent Verification Agent and PricewaterhouseCoopers (PwC) agree on all the results shown in this report.

2. Introduction

2.1 Overview

The Federal Government of Nigeria is implementing a four-year program to support the Nigerian States to strengthen fiscal performance and sustainability: The State Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results (“The Program”).

The original Programme design had four Key Result Areas and nine disbursement-linked indicators with a financing agreement of US\$750 million. Following the advent of COVID-19 in 2020, the Programme was adapted to establish a transparent, accountable, and sustainable fiscal framework to enhance States’ fiscal capacity to respond to the Pandemic. The main change brought about in the restructuring was the addition of new COVID-19 responsive DLIs to the Programme and obtaining additional financing of US\$750 million to ensure results were sustained across the remaining performance years. This brought the total financing for the SFTAS Programme to US\$1.5 billion and increased the DLIs to 13 (thirteen) and the Disbursement Linked Results to 22 (twenty-two). The Program will finance activities under two components: (i) a Program for Results (PforR) component for US\$1.45 billion and (ii) a Technical Assistance (TA) component for US\$50 million.

All States can participate in the Program in each of the four years and benefit from the PforR funds by meeting set Eligibility Criteria and any or all the indicators of fiscal transparency, accountability, and sustainability.

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and PricewaterhouseCoopers (PwC) was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2021. To ensure a high-quality assessment, the IVA had some input/support from the Debt Management Office (DMO) to review the legislation and returns in place in the State.

2.2 Scope

This Annual Performance Assessment (APA) Report covers the State’s performance in 2021 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 2021 APA. The eligibility assessment results were reported previously to each state.

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitized on the requirements of the program and the protocol for 2021. 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 (25/07/2022 and 29/07/2022) with a team of 6 persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

The draft conclusions from the work done are set out in this Report and the State is expected to revert within five working days with any comments on the results by using the free text box in Section 4.

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2021] quarterly budget implementation reports published on average within [4 weeks] of quarter end to enable timely budget management		Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	<p>The Quarterly Budget Implementation Reports were posted online on:</p> <p>Q1- 2021 https://aksbudgetoffice.org.ng/Appraisal%202018/Appraisal%202021.pdf Q2- 2021 https://aksbudgetoffice.org.ng/Appraisal%202018/Appraisal%202021%20(2nd%20Quarter).pdf Q3-2021 https://aksbudgetoffice.org.ng/Appraisal%202018/Appraisal%202021%20(3rd%20Quarter).pdf Q4- 2021 https://aksbudgetoffice.org.ng/Appraisal%202018/Summa</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>ry%20of%202021%20Budget%20Appraisal%20(January%20-%20December).pdf The State website was accessed on (25/07/2022).</p> <p>Dates of online publication are as follows:</p> <ul style="list-style-type: none"> • Q1 – (27/04/2021) - 3.85 weeks (27days) • Q2 – (26/072021) - 3.71 weeks (26days) • Q3 – (27/10/2021) - 3.85weeks (27days) • Q4 – (28/01/2022) - 4 weeks (28 days) <p>Average days (weeks) for the online publication was computed based on the last quarters, as below:</p> $\frac{3.85+3.71+3.85+4}{4} = \frac{15.41}{4} = 3.85$ <p>Average = 108 days (3.85 weeks)</p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2021, obtained and retained evidence of the timestamp of the publications.</p>		
2	<p>Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classifications of expenditures (Personnel,</p> <p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s website (see web links above) we observed the following:</p> <p>a) The Budget Implementation Reports included the approved budget appropriation for the year against each organisational unit (MDAs) for each of the core economic classifications of expenditures.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Overheads, Capital, and others), the actual expenditures for the quarter attributed to each MDA as well as the actual cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	<p>b) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each MDA as well as the actual cumulative expenditures for the year to date.</p> <p>c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations</p> <p>d) The State has a revised budget.</p> <p>e) The Budget Implementation Reports of Q3 AND Q4 showed both the approved original budget AND the approved revised budgets.</p> <p>The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations.</p>		
3	Does the report state the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the actual cumulative expenditures for the year to date?	The IVA reviewed the State's Budget Performance/implementation reports and confirmed that the report included the actual expenditures for each quarter attributed to each MDA, each expenditure classification, as well as the actual cumulative expenditures for the year to date.	Satisfactory	
4	Does the report state balances against each of the revenue and expenditure appropriations with balances provided on a consolidated	The State's Budget Implementation Reports shows the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which includes debt servicing, and	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	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?	transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.														
DLR 1.2	FY [2021] deviation from total approved budget expenditure is less than 15%		Not Achieved													
1	<p>Has the State computed the difference between the Original/Approved total budgeted expenditure for the fiscal/calendar year 2021 and the actual total expenditure in the fiscal/calendar year 2021, divided by the Original approved total budgeted expenditure and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 15%</p>	<p>The State computed the budget deviation</p> <p>The State computed the budget deviation for 2021 to be 21%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="701 915 1394 1318"> <thead> <tr> <th></th> <th>Total Approved Budget (₦)</th> <th>Actual Expenditure (₦)</th> </tr> </thead> <tbody> <tr> <td>Capital Exp. (Page 1, Original Budget & 31 & 32-33, AFS)</td> <td>241,450,752,750</td> <td>197,360,677,348</td> </tr> <tr> <td>Rec. Exp. (Page 1, Original Budget & 31 & 32-33, AFS)</td> <td>214,799,917,250</td> <td>161,404,712,652</td> </tr> <tr> <td>Total</td> <td>456,250,370,000</td> <td>358,765,390,000</td> </tr> </tbody> </table> <p style="text-align: center;">₦456,250,370,000 - ₦358,765,390,000 x 100</p>		Total Approved Budget (₦)	Actual Expenditure (₦)	Capital Exp. (Page 1, Original Budget & 31 & 32-33, AFS)	241,450,752,750	197,360,677,348	Rec. Exp. (Page 1, Original Budget & 31 & 32-33, AFS)	214,799,917,250	161,404,712,652	Total	456,250,370,000	358,765,390,000	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	Total Approved Budget (₦)	Actual Expenditure (₦)														
Capital Exp. (Page 1, Original Budget & 31 & 32-33, AFS)	241,450,752,750	197,360,677,348														
Rec. Exp. (Page 1, Original Budget & 31 & 32-33, AFS)	214,799,917,250	161,404,712,652														
Total	456,250,370,000	358,765,390,000														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>₦456,250,370,000</p> <p>The budget performance deviation is 21%</p> <p>Source: 2021 Audited Financial Statement Pages 32 & 33 and Approved Budget and Actual Expenditure or Appropriation Law Page 1.</p> <p>IVA compared the annual budget figures shown in the AFS and the signed approved budget/appropriation there were no differences.</p>		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	<p>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget</p> <p>AND</p> <p>Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms</p>		Achieved	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government	IVA obtained and reviewed all necessary documents including the attendance register, pictures and minutes of the consultation meeting held.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>authorities and State-based CSOs?</p>	<p>a) The IVA confirmed that some of the LGAs in attendance at the consultation meeting include:</p> <ol style="list-style-type: none"> 1. Inyang J Inyang - Uyo L GA 2. Emmeti A Udosen - Oron LGA 3. Uwem Effiong Okopedeaf - IKA LGA. <p>b) The IVA confirmed some of the CBOs and CSOs representatives in attendance at the “town-hall” consultation include:</p> <ol style="list-style-type: none"> 1. Mfonobong Udoekong - Akwamfon Sustainable Community Association 2. Mrs Dopse G. Sandy - Women Forum 3. Mmomti Umoh - Purple Patch 4. Tijah Bolton-Akpan - Policy Alert 5. Prince Akuniuyene Isidok - JONAPD <p>c) The sources of information from which our conclusions were drawn are minutes, attendance, and pictures.</p> <p>d) The consultation of the budget proposal was held on 2nd July 2021 at the conference room of the Ministry of Economic Development and Ibom Deep Seaport.</p> <p>e) A sample of 10 attendees were called to confirm their attendance at the public consultation.</p> <p>f) The date of the draft budget as shown on the covering letter by the State Governor addressing the Draft Budget to the State House of Assembly (SHOA) is 22 October 2021</p> <p>g) The consultation was done on 2nd July 2021 while the draft budget was prepared for presentation to the SHOA on 22 October 2021. The consultation was done before the draft budget preparation.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>h) The proposed budget was published online on 30 Oct 2021</p> <p>i) It was published before the deadline of 31 January 2022</p> <p>j) The web link for the publication of the proposed budget https://aksbudgetoffice.org.ng/Appropriation/2022%20PROPOSED%20BUDGET.pdf. This was accessed on (26/07/2022).</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 2022 to enable citizens to find the inputs easily?	<p>a) The minutes of the consultation meeting was co-signed by Pastor Henry Udoh, Chairman Akwa Ibom CSO Forum and member of STEP. A copy of the signed minutes has been retained on file.</p> <p>b) The title of the Minutes of the consultation meeting is “Minutes of Stakeholders of Akwa Ibom Citizens’ Budget Held on 2nd July 2021 at The Conference Room of The Ministry of Economic Development and Ibom Deep Seaport”.</p> <p>c) Below are the signatories to the minutes and the organisations they represent:</p> <ol style="list-style-type: none"> 1. Mr Inieke Umanah - Dir Planning, MED, IDSP 2. Pastor Harry Udoh - STEP/AKSCSO Forum <p>d. The weblink for the publication of the minutes is https://aksecondev.ak.gov.ng/wp-content/uploads/2021/news/Minutes_and_Attendance_of_Stakeholders_Meeting_Held_on_2nd_July_2021.pdf The date of publication is 16/01/2022 and this was accessed on 26/07/2022</p> <p>e) The published minutes were adequately sign-posted on the website.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Has the State published online, on the State website(s) a Citizens Budget based on the Approved Budget (2021) not later than 30 April 2021?	<p>a) The Citizens Budget based on the Approved Budget 2021 was published on 29/04/2022 before the due date via https://www.aksecondev.ak.gov.ng/wp-content/uploads/2021/budgets/Citizens_2021.pdf accessed on 26/07/2022</p> <p>b) A comparison of the Approved Budget 2021 with the Citizens Budget was done, and no significant areas of discrepancies were noticed.</p> <p>c) The Citizen’s Budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template. IVA confirmed that no discrepancies exist among the following:</p> <ul style="list-style-type: none"> i. Simple explanation of the annual approved budget/citizen’s budget. (Ref Page 9-10 Citizens Budget) ii. The sources of revenues. (Ref Page 13 Citizens Budget) iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. (Ref Page 16) iv. Total expenditure by economic classifications. (Ref Page 14) v. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. (Ref Page 12) vi. Disclosure of Budget deficit (if any) and how it will be financed. (Ref Page 15) vii. Sectoral Allocation (by MDAs). (Ref Pages 17 - 25) viii. Top Projects to be financed (at least 5). (Ref Page 27) <p>d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	<p>a) The Citizens Budget included an explanation of the key components /information in the Approved FY21 Budget.</p> <p>b) We confirmed that the approved FY21 state budget was summarised in a comprehensible manner to the citizens in the Citizens budget.</p>	Satisfactory	
5	Does the State website have functional feedback and response online mechanisms?	<p>a) The State has established functional feedback and response online mechanisms on its website.</p> <p>b) The feedback mechanism established by the state is an online feedback form/mail and telephone conversion.</p> <p>c) The State's feedback mechanism provides at a minimum:</p> <ul style="list-style-type: none"> i. Acknowledgement of receipt of comments/feedbacks from citizens ii. State's responses to comments/feedbacks iii. Display of timeframe and the State's government contact details. <p>d) Screenshot evidence has been obtained and retained.</p> <p>e) A mail of enquiry was sent to the contact mail displayed on the website. Enquiry was made concerning the budget allocation for the Ministry of Youth and Sports in the Citizens Budget 2021 and an accurate response was received within a few hours.</p> <p>f) The State has established a feedback mechanism on its website. From the assessment and response received, it can be concluded that the State's feedback mechanism is functional.</p> <p>g) The weblink for the feedback is https://aksecondeev.ak.gov.ng/contact</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLR 2.2	Citizen's Accountability Report based on audited financial statements/report published online for FY2020 not later than 30th September,2021.		Achieved	
1	Did the State prepare the Citizens Accountability Report to explain the full Annual Audit Report in a summarized form?	<ul style="list-style-type: none"> a) The Citizen's Accountability Report has been downloaded. b) A review was done on the downloaded Citizens Accountability Report. c) The Citizen's Accountability Report was published on or before September 30, 2021 and a copy is retained on the file. d) The full Annual Audit Report for the year 2020 was compared with the Citizen's Accountability Report. No discrepancies were observed. e) The IVA obtained and reviewed the evidence of public consultations with Citizens to explain the FY2020 financial statement. 	Satisfactory	
2	Has the State published a Citizens Accountability Report based on the Annual Financial statements/ Audit Report for FY 2020 not later than 30 September 2021?	<ul style="list-style-type: none"> a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published before the date on 30/09/2021 via https://akwaibomstateaudit.net/The_Citizens_Accountability_Report_for_2020_Financial_Year.pdf and accessed by IVA on 26/07/2022. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>b) A comparison of the Annual Audit Report FY20 with the Citizens Accountability Report 2020 was done and found no areas of discrepancies.</p> <p>c) The Citizen’s Accountability Report was prepared according to the Template provided to the State. The IVA confirmed that no discrepancies exist among the following:</p> <ul style="list-style-type: none"> i. Simple explanation of the Citizens Accountability Report and Executive Summary. (Ref. Page 3-4) ii. The Budget Outturn. (Ref Page 6-8) iii. The Revenue Outturn. (Ref Page 9-11) iv. The Expenditure Outturn. (Ref Page 12-14) v. The Audit Findings. (Ref Page 15-16) vi. The Audited Financial Statements. (Ref Page 17-18) vii. Top Sectoral Allocations. (Ref Page 19-25) viii. Top Value Capital Projects. (Ref Page 26-27) ix. Citizens-Nominated Projects-Implementation Status Report. (Ref Page 28-30) <p>d) The minimum required citizen’s accountability report information outlined above (extracted from the Template) has been included.</p> <p>e) The same format was used, no discrepancies identified.</p>		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	<p>a) The Citizen’s Accountability Report presents in a summarised manner the Audited Financial Statement or Annual Audit Report FY2020.</p> <p>b) The Citizens Accountability Report included a concise explanation of the key components of the FY2020 Audited Financial Statements.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) A copy of the report/minutes of a One-Day public consultation on Citizens' Accountability Report based on the AFS was received and retained. Also pictures of a cross section of the participants were also retained. It included a presentation of the annual financial statements (i.e. the Citizen's Accountability Report for 2020)</p> <p>We confirmed that the FY20 Annual Audit Report or Audited Financial Statement was summarised in a comprehensible manner to the Citizens in the Citizens Accountability Report. We further confirmed that the CAR was published online by the deadline and presented at a public consultation held on 28th September 2021</p>		
<p><i>DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA</i></p>				
DLR 3.0	Improved cash management and reduced revenue leakages through the implementation of State TSA		Achieved	
1	Has the State established a functional State-level TSA?	<p>a) The State has established a functional state-level TSA</p> <p>b) The State operates multiple accounts. The account details for the following:</p> <ul style="list-style-type: none"> • IGR Main Account: Various bank Accounts • FAAC Account: Zenith Bank • VAT Account: Access Bank 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The name of the bank providing the TSA is Zenith Bank with Account 1016208174 for the above		
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>The State has a cash management strategy.</p> <p>a) The Documents name and/or title is Akwa Ibom Cash Management strategy.</p> <p>b) The CMS was produced on 30th November 2020 and signed by the Honorable Commissioner for Finance.</p> <p>c) The strategy includes 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. (Section One, bullet 1.3 and section three bullet 3.2 on pages 3 and 10 respectively)</p> <p>d) The strategy says cash sweeping should be done monthly.</p> <p>e) There is 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 in the Cash management strategy. The evidence obtained is the Akwa- Ibom State 2021 Cashflow forecast which showed the cashflow forecast for the year.</p>	Satisfactory	
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 has a computer application where the State can view the cash balances in the bank account(s).</p> <p>b) The computer application name is Pay Direct and the producer of the application is pay direct.</p> <p>c) The application is in line with the approved cash management strategy.</p> <p>d) The application was deployed in 2015.</p>	Satisfactory	
4	Does the TSA have one consolidated revenue	a) The IVA interviewed five (5) revenue generating MDAs and taxpayers, findings from the tests,	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	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>depicts that no MDAs collect cash but payments are made directly to government approved banks by the tax or levy payers.</p> <p>b) The TSA of the State is domiciled with Zenith bank.</p> <p>c) IVA confirmed that all govt monies go through this account</p> <p>d) Govt monies do not sit in the other revenue collecting banks</p> <p>e) The TSA bank Statement was obtained and retained.</p>														
5	Does the TSA cover a minimum of 80% of the State Government's finances?	<p>The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cash flow Statement for the year ended 2021.</p> <p>See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Inflows (₦)</th> <th>Total Outflows (₦)</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>308,563,205,957.60</td> <td>306,851,684,547.64</td> </tr> <tr> <td>Government Finances*</td> <td>341,178,775,000.00</td> <td>358,765,389,000.00</td> </tr> <tr> <td>Percentage</td> <td>90.44</td> <td>85.53</td> </tr> </tbody> </table> <p>The average percentage computation is:</p> $\frac{90.44 \% + 85.53 \%}{2}$ <p>= 87.99 %</p>		Total Inflows (₦)	Total Outflows (₦)	TSA Bank Statement	308,563,205,957.60	306,851,684,547.64	Government Finances*	341,178,775,000.00	358,765,389,000.00	Percentage	90.44	85.53	Satisfactory	
	Total Inflows (₦)	Total Outflows (₦)														
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Percentage	90.44	85.53														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>The TSA covered 87.99 % of the State’s finances.</p> <p>*Sources: 2021 Audited Financial Statement (Cash flow Statement) Page 6 and the TSA Statement from (Zenith Bank) for January to December 2021.</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 in 2020 APA	
DLR 4.2	Annual nominal IGR growth rate meets target		Achieved (Basic Target)	
1	<p>Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: 20% - 39%</p> <p>Stretch Target: 40%</p>	<p>a. The State adopted a cash basis of accounting in 2020 and Accrual Basis of Accounting in 2021 Audited Financial Statements. However, the computation was done based on Cashflow.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
			₦	₦	% GRO WTH		
		Item	2020	2021			
		<i>Memo: Reported IGR in AFS (Before Adjustments)</i>					
		VALID IGR items to be counted as IGR	30,152,278,000	37,715,431,000			
		Direct tax	26,608,482,000	33,712,667,000			
		Personal income tax (PAYE)					
		Licenses	8,972,000	38,279,000			
		Levies	-	-			
		Fees	1,930,325,000	3,213,777,000			
		Fines	4,808,000	1,793,000			
		Charges	-	-			
		Sales of goods and services	153,469,000	123,456,000			
		Earnings (Excluding interest or investment income)	178,056,000	390,675,000			
		Rent of govt. property/building	12,585,000	11,160,000			
		Rent of land and others	1,255,566,000	223,614,000			

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Royalties	15,000	10,000			
		“Adjusted IGR” for DLI 4.2 Calculation					
		Sum of all VALID items of IGR if AFS has that detail	30,152,278,000	37,715,431,000	25%		
		$\frac{\text{₦}37,715,431,000 - \text{₦}30,152,278,000}{\text{₦}30,152,278,000} \times 100 = 25\%$					
		The annual nominal growth was 25%					
		Source: 2021 Audited Financial Statement Pages 31 & 38 and Note 2 -3					
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud							
DLR 5.1	Biometric capture of at least [95] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll					Achieved	
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 95% of the current	The State commenced the Biometric data capture of the Civil Servant and Pensioners in 2020				Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>civil servants and pensioners on the State payroll?</p> <p>a) The Biometric registration exercise was outsourced to eSofties Solutions LTD and in conjunction with the ICT Directorate of Akwa-Ibom State government.</p> <p>b) The total number of Civil Servants is 30,596</p> <p>c) The total number of Pensioners is 16,206.</p> <p>d) The total number of Civil Servants and Pensioners on the State Nominal roll is 46,802 (30,596 and 16,206 respectively). The total number of Civil Servants and pensioners on the payroll is 45,656 (29,471 and 16,185 respectively).</p> <p>e) The total number of Civil Servants and Pensioners on nominal roll changed by 4.73% for Civil Servants and 0.15% for pensioners when compared with the previous year. See computation below.</p> <p style="text-align: center;"><u>Civil Servants</u></p> $\frac{30,596 - 29,214}{29,214} \times 100 = 4.73 \%$ <p style="text-align: center;"><u>Pensioners</u></p> $\frac{16,206 - 16181}{16,181} \times 100 = 0.15\%$ <p>The IVA observed that the change was within or less than 10 %.</p> <p>The total number of civil servants and pensioners on payroll changed (increased) by 0.88 % for Civil Servants</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>and 0.02 % for pensioners when compared with the previous year. See computation below.</p> <p style="text-align: center;"><u>Civil Servants</u> $\frac{29,471 - 29,214}{29,214} \times 100$ = 0.88%</p> <p style="text-align: center;"><u>Pensioners</u> $\frac{16,185 - 16,181}{16,181} \times 100$ = 0.02%</p> <p>The IVA observed that the change was within or less than 10 %.</p> <p>f) The biometrics data captured (for Civil Servants and Pensioners) was 46,802.</p> <p>g) IVA obtained a one-page report on the progress of Biometric Exercise.</p> $\frac{45,656}{29,471 + 16,185} \times 100$ = 100% <p>h) The State captured 100% biometrics of the State's Civil Servants and Pensioners on its payroll.</p>		
2	Has the State linked the biometrics data to the State	a) The State commenced the linkage of Biometric to payroll in July 2020	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>payroll to identify ghost workers?</p>	<ul style="list-style-type: none"> b) The State has linked the biometrics data for 30,596 Civil servants and 16,206 pensioners to the payroll. c) There were no ghost workers detected during the biometric validations d) There were no ghost workers detected during the biometric validations, therefore, no money was saved. e) There were in-year changes to the civil servants and pensioners payroll as a result of starters, leavers and deaths). There were procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths. The documents obtained to serve as are: <ul style="list-style-type: none"> i. One-page report on the progress of Biometric Exercise ii. Biometric data Register summary iii. Nominal roll summary iv. Payroll summary f) There were changes to the civil servant and pensioner payrolls during the fiscal year (as a result of starters, leavers, deaths, etc.). g) The changes were captured by the biometric exercise h) The procedures in place to identify and remove ghost workers were: <ul style="list-style-type: none"> i. New employees go through identity proofing and biometric registration processes before their names are sent to Payroll. ii. For a retiree, information of all staff due is generated every month and sent to payroll to ensure they are automatically removed. 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> iii. For Death and Abscondment, a biometric verification exercise is done every 2 months and all civil servants and pensioners verify their identity by their fingerprint iv. Report from various MDAs; periodically the various MDA sends in their report of dead staff and those who absconded from duty with instructions to be removed. The removals are done instantly. 		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<ul style="list-style-type: none"> a) There were no ghost workers detected during the linkage of biometrics data . b) There were no ghost workers detected during the linkage of biometrics data to the payroll. Therefore, no record of ghost workers was kept. c) There were no ghost workers detected during the linkage. Therefore, no date(s) were available. d) There were no ghost workers detected during the linkage. Therefore, no date(s) were available. e) There were no ghost workers detected during the linkage. Therefore, no date(s) were available. f) The sources of this information and reference where IVA obtained the data are: <ul style="list-style-type: none"> i. One-page report on the progress of Biometric Exercise. ii. Biometric data Register summary iii. Consultant Report on Biometric registration Exercise. 	Satisfactory	
5.2	Link BVN data to at least [95] percent of current civil		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	servants and pensioners on the payroll and payroll fraud addressed			
1	Has the State linked the Bank Verification Number data to 95% of its current Civil Servants and pensioners on the State payroll?	<p>The State commenced linkage of BVN data of civil servants and pensioners in July 2020 and completed the exercise in December 2020.</p> <p>a) The Biometric registration exercise was outsourced to eSofties Solutions LTD and in conjunction with the ICT Directorate of Akwa Ibom State Government</p> <p>b) The total number of civil servants and number of pensioners on payroll are 45,656 (29471 + 16,185).</p> <p>c) The total no of civil servants and number of pensioners on the State Nominal roll is 46,802 (30,596 +16,206).</p> <p>d) The BVN linked to payroll was 43,551 (28,121. + 15,430 for Civil Servants and Pensioners respectively) The sources of this information and reference where IVA obtained the data are</p> <ol style="list-style-type: none"> i. One-page report on the progress of Biometric Exercise. ii. Biometric data Register summary iii. Consultant Report on Biometric registration Exercise. $\frac{28,121 + 15,430}{29471 + 16185} = \frac{43,551}{45,656} = 95.39\%$ <p>The State has linked 95.39 % of the State’s civil servants and pensioners’ BVN data to the payroll.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Has the State taken steps to identify payroll fraud?	<p>a) Civil Servants and Pensioners with BVN data are 28,121 and 15,430 while Civil Servants and Pensioners without BVN data are 2105.</p> <p>b) There was no payroll fraud identified</p> <p>c) There was no payroll fraud identified, therefore there was no date obtained</p> <p>d) . There was no payroll fraud identified, therefore there was no date obtained.</p> <p>e) There was no payroll fraud identified, therefore there was no removal of payments from the emoluments of workers.</p> <p>f) The source(s) of this information and reference the documents obtained were:</p> <ul style="list-style-type: none"> i. One-page report on the progress of Biometric Exercise ii. Biometric data Register summary iii. Consultant Report on Biometric registration Exercise. 	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)		Previously Achieved In 2019 APA	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	cover all MDAs receiving funds from the State budget			
DLR 6.2	<p>No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs</p> <p>AND</p> <p>For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.</p>		Not 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 (2021) that are above the threshold (as defined in the State procurement law or the State procurement regulation(s), in	<p>a) IVA obtained a schedule of all contracts awarded during the year under assessment.</p> <p>b) IVA reviewed the information obtained and confirmed the following:</p> <p style="padding-left: 40px;">i. The State published the information on contracts awarded for the year under assessment above the threshold of Three Million Naira (₦3M) online.</p>	Unsatisfactory	The State should ensure that all contracts are published online above the threshold.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>line with the Open Contracting Data Standards (OCDS)?</p>	<p>ii. The schedule of contracts (above threshold) published on the State website were complete and comprehensive that is, all contracts published on the State website were found in the contracts submitted by the State. There is no indication that the schedule may be incomplete. However, the contracts published online with a total of ₦22,916,789,053.26 appears to be grossly inadequate.</p> <p>iii. The IVA compared the total amounts of contracts awarded and published online of ₦22,916,789,053.26 with the CAPEX Outturn of ₦153,141,288,000.00 in the 2021 AFS and observed a difference of ₦130,224,498,946.74. The IVA sent an APA Issue to the State to request for clarification for the difference.</p> <p>“The State responded thus “Please note that the difference between the comprehensive schedule of contracts and the actual capital expenditure is as follows:</p> <ol style="list-style-type: none"> 1. The comprehensive schedule of contracts consists of new contracts awarded in 2021 financial year, whereas the total actual capital expenditure as reported in the 2021 AFS consists of payments for both previous years and new contracts. 2. Most of our construction contracts last for more than one year and are paid based on certified interim payment certificates (IPCs). Therefore, payment for the previous years’ contracts do not form part of the schedule of contracts awarded in 2021.” 		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>In line with the State’s response, IVA observed that the reduction of contractors’ arrears in between the FY2020 and FY2021 amounts to ₦23,892,023,336.35, which is below the difference of ₦130,224,498,946.74 that was published in line with OCDS and the CAPEX for FY2021.</p> <p>Thus, the published contracts amounting to ₦22,916,789,053.26 is grossly inadequate.</p> <p>The State should a provide comprehensive evidence that the unexplained balance of the payments were made on the basis of interim performance certificates for contracts awarded prior to 2021. Note the 2021 SARVCR shows N39bn of contractor arrears were settled in the year.</p> <p>c) IVA confirmed that the State published the information on contracts awarded for the year under assessment above the threshold online (N3million).</p> <p>d) IVA confirmed that the schedule of all contracts provided by the State was complete and comprehensive in line with the OCDS requirements.</p> <p>e) IVA confirmed that the data published is in line with the Open Contracting Data Standards (OCDS).</p> <p>f) The source of publication was https://ocds.bpp.ak.gov.ng/projects.</p> <p>g) IVA searched the State’s procurement website where transactions of contracts were published under e-procurement /open contracting data standard. IVA did a</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>walkthrough of all the contract information published to ascertain that all contract information published are in line with the OCDS format. IVA concluded that the State published all contract information online (above the threshold) and is in line with the OCDS. The schedule of all contracts provided by the State was complete and comprehensive when compared to the list of contracts published online on the State website.</p> <p>h) The minimum contract award information that was published are as follows:</p> <ul style="list-style-type: none"> i. Project Name ii. Awarding institution iii. Award date iv. Name of contractor v. Contract amount <p>i) The items from (g) above were published.</p> <p>j) The weblink: https://ocds.bpp.ak.gov.ng/projects</p> <p>k) The contract award information published on the State official procurement website was accessible to the public.</p>		
2	Has the State implemented e-Procurement in at least 4 MDAs (including Education, Health, and Public Works) by June 30, 2022. The e-Procurement for the 2021 results DLI is the implementation of at least five modules: e-Registration, e-	<p>a) The State has not implemented e-procurement in at least four (4) MDAs (including Education, Health and Public Works) by 30 June 2022.</p> <p>b) A report on all transactions for the four MDAs during the period 1 January 2021 to 30 June 2022 directly from the e-procurement systems was not obtained.</p> <p>c) A separate report of procurements for all four MDAs for the period 1 January 2021 to 30 June 2022 from the Accountant General was not obtained.</p>	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs, and in at least 4 MDAs in the first instance (including Education, Health, and Public Works).

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
	Publishing/Notification, e-Procurement Plan, e-Tendering and e-Evaluation/e-Awarding?	<p>d) There was no evidence obtained to prove the go-live date for each of the five expected minimum functionalities. The State procurement agency stated the go live date was 30th June 2021.</p> <p>e) The State has not implemented e-procurement in at least four (4) MDAs (including Education, Health and Public Works) by 30 June 2022. Hence, there was no comparison.</p> <p>f) The State has not implemented e-procurement in at least four (4) MDAs (including Education, Health and Public Works) by 30 June 2022. Hence, there was no walkthrough test of the transactions.</p> <p>g) The State has not implemented e-procurement in at least four (4) MDAs (including Education, Health and Public Works) by 30 June 2022. Hence, there was no walkthrough test of the transactions.</p> <p>h) The State has not implemented e-procurement in at least four (4) MDAs (including Education, Health and Public Works) by 30 June 2022.</p> <p>i) The e-Registration, e-Publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules have not been implemented and had no transactions processed through them for the period 1 January 2021 to 30 June 2022.</p> <p>j) <i>The</i> State had not processed all of its procurement transactions at the 4 MDAs through the five minimum required modules after go-live for the period of 1 January 2021 to 30 June 2022</p> <p>k) There was no evidence obtained because the State has not implemented e-procurement in at least four (4) MDAs</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.		Previously Achieved in 2020 APA	
DLR 7.2	Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021 AND Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021		Achieved	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average two months after	A) The State’s domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2021 is as at the end of Q4 2021	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>the end of the quarter in 2021?</p> <p>We obtained evidence that the State produced approved quarterly SDDR, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> ● Q1 submitted on (27/05/21) 57days, ● Q2 submitted on (10/08/21) 41days, ● Q3 submitted on (17/11/21) 48days and ● Q4 submitted on (17/02/22) 48days. $\frac{57+41+48+48}{4}$ <p>Average = 48.5 days (6. 93 weeks)</p> <p>The SDDRs were submitted within an average of 1.6 months (the average number of days is 48.5 days).</p> <p>Further review showed that the DMO report stated that fourth quarter revised report was provided outside the window period of SFTAS.</p> <p>The State provided the updated submission to the Federal DMO on the submission of Q4 SDDR, hence, the re-computation is done as follows:</p> <ul style="list-style-type: none"> ● Q1 submitted on (27/05/21) 57days, ● Q2 submitted on (10/08/21) 41days, ● Q3 submitted on (17/11/21) 48days and ● Q4 submitted on (14/03/22) 73days. 		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	$\frac{57+41+48+73}{4}$ <p>Average = 54.75 days (7.82 weeks)</p> <p>The SDDRs were submitted within an average of 1.95 months (the average number of days is 54.75 days).</p>		
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO:</p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p> <p>a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained</p> <p>b) .</p> <p>We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the State Debt Domestic Report..</p> <p>We reviewed the DMO 2021 assessment report and the report confirmed the accuracy and completeness of the State Domestic Debt Report.</p> <p>No actions were taken as there were no identified errors or inconsistencies.</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</p>	N/A	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>DMO. Conclusions reached in this report are based on the amended DMO data.</p> <p>c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State has been compared with the State Audited Financial Statement.</p> <p>d) The debt stock figures reported in the SDDR has been compared with that of the State’s Audited Financial Statement</p> <p>e) There were any discrepancies noted during the comparison</p> <p style="padding-left: 40px;">i. SDDR Figure: ₦214,605,901,124.00</p> <p style="padding-left: 40px;">ii. AFS Figure: ₦ 190,608,901,124.02</p> <p style="padding-left: 40px;">iii. Difference: ₦23,997,000,000.00 (11.1%)</p> <p>f) An APA issue was given to the State to give reasons for the discrepancy. The State is yet to respond.</p> <p>g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.</p>		
3	Has the State published online the State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) by 31 December 2021?	<p>k) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published on the State’s official website.</p> <p>l) The date of publication was 17th December, 2021</p> <p>m) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published before 31 December 2021. The document was dated and signed by the HCF in November 2021.</p> <p>n) The web link is https://aksmfinance.com/debtmgmt/Final%20Akw</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		a%20Ibom%20State%20SDSA-DMS%20Draft%20%20%20Report%20-16%20December.pdf.		
4	Does the SDSA - DMSR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options; including a summary analysis of the projections of performance indicators used to assess Debt Management Strategy, and their implications for cost-risk profile of State debt portfolio in 2025; and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	<p>a) Upon review of the SDSA -DMSR (and the report from the DMO on its review of the SDSA-DMSR) and ALL the requirements, IVA observed that the SDSA -DMSR, included the following:</p> <p>Upon review of the SDSA -DMSR, it included the following:</p> <ol style="list-style-type: none"> 1. Adequate presentation of medium-term budget forecasts, including: <ol style="list-style-type: none"> a) Presentation of MTB forecasts in either a table OR chart(s) (OR both table and chart(s)) with projected annual figures from 2021 to 2024. b) Description of assumptions underpinning the MTB forecasts from 2021 to 2024 with a table of assumptions is contained in the MTB forecast. c) A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout the period 2021-2024 was also included d) The analysis in the entire forecast period was seen to contain adequate quality, and do not contain illogical statements (e.g. negative figures for debt stock; contradictory or illogical statements or arguments, etc.) 2. A detailed and adequate description of the debt portfolio and borrowing options, includes: <ol style="list-style-type: none"> a) Presentation of debt and borrowing projections in the baseline scenario either using both tables and charts with projected figures from 2021 to 2030. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<ul style="list-style-type: none"> b) The description of assumptions underpinning the borrowing options presented with a table with assumptions and a corresponding explanation in writing. c) A summary analysis of the debt projections and their implications for debt sustainability and fiscal policies throughout the period 2021-2030 d) A summary analysis of the projections of performance indicators used to assess DMS throughout the period 2021-2025, and their implications for the cost-risk profile of the State debt portfolio in 2025. e) The presentation and analysis in the entire forecast period need to be of adequate quality, and do not contain illogical statements (e.g. negative figures for debt and borrowing projections; contradictory or illogical statements. <p>3. Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year, which contains the following;</p> <ul style="list-style-type: none"> a) Presentation of revenue, expenditure, budget balance, and debt information, at least for 2020: either a table OR charts (OR both table and chart(s)) with historical figures for at least 2020 b) A summary analysis of the information presented on revenue, expenditure, budget balance, and debt in 2020: analysis (in writing) of fiscal and debt situation in 2020. c) The presentation and analysis in the entire historical period need to be of adequate quality, and do not contain illogical statements (e.g. negative figures for debt and borrowing 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>projections; contradictory or illogical statements or arguments, etc.)</p> <p>a) IVA reviewed and comparison between the information (figures) contained in the assessment report of the SDSA-DMSR obtained from the DMO and the SDSA-DMSR obtained from the State Website was done</p> <p>b) There were no differences identified</p>		
<p><i>DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears</i></p>				
<p>DLR 8.0</p>	<p>Domestic arrears as of end 2020 and end 2021 reported in an online publicly accessible database, with verification process in place.</p> <p>AND</p> <p>Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p><u>Basic Target:</u> At least a 5 percent decline or maintain stock below 5 billion naira</p>		<p>Achieved</p> <p>Stretch Target Met</p>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Stretch Target: More than 20 percent decline			
1	Has the State established an Arrears Clearance Framework (ACF)?	<ul style="list-style-type: none"> a) The State has established an Arrears Clearance Framework (ACF) b) IVA obtained a copy of the ACF from the State c) The establishment of the ACF occurred by 30 June 2021. d) The ACF was established August 2020 which is adequate to allow time for the implementation of the ACF. 	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<ul style="list-style-type: none"> a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled. b) The evidence seen when reviewing the ACF that shows the ACF contains the two stated requirements include: <ul style="list-style-type: none"> i. Planned actions to settle expenditure arrears as detailed in section 2 pages 10-18 of the ACF ii. Prioritization of domestic expenditure arrears to be settled as detailed in section 2, pages 21. c) Other document submitted by the state to confirm the ACF exists, was the SARVCR. 	Satisfactory	
3	Has the ACF been published on a State official website?	<ul style="list-style-type: none"> a) The ACF has been published on a State official website. b) IVA downloaded a copy for validation. c) The web link is https://akwaibomstate.gov.ng/updated-akwa-ibom-acf-2021/ <p>and the evidence obtained to confirm the date of publication has been obtained</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	<p>The Clearance of the State Pension and gratuity was in line with the State ACF as the oldest arrears were being settled first. The pension and gratuity 2019 records were compared with the 2020 database. It was observed that the older arrears were being settled first.</p> <p>The settlement of contractors' arrears was also in line with the ACF. The contractors' arrears being settled were ongoing contracts, some old contractual arrears, some based on the value of the amount owed. The contract files were presented and reviewed.</p> <p>After reviewing the available information, the IVA concluded that the clearance of the States Arrears was consistent with the State ACF.</p>	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State has established an Internal Domestic Arrears Database</p> <p>b) The Internal Domestic Arrears Database includes the following:</p> <ul style="list-style-type: none"> a. The aggregate and individual amounts of contractors' arrears. b. The aggregate amount of pension and gratuity arrears. c. The aggregate amount of salary arrears and other staff claims. d. The aggregate amount of other types of domestic arrears <p>c) A verification process is in place for the arrears in the database.</p> <p>d) IVA confirmed through the SARVCR provided that the State conducted verification of arrears balances.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>e) IVA conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, underlying contract data, etc.</p> <p>The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR).</p>		
6	<p>Has the State published online elements of the internal domestic arrears database for the FY 2020 and FY 2021 reported on a State official website, which constitutes the online publicly accessible arrears database?</p>	<p>a) The State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2020 and 2021.</p> <p>b) IVA compared the aggregate and individual information available on the online publicly-accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly-accessible arrears database.</p> <p>c) The website supporting the online publicly-accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online and attaching supportive evidence of her claim. The weblink is https://akwaibomstate.gov.ng/akwa-ibom-state-internal-domestic-arrears-database-summary-2021/</p> <p>d) IVA confirmed that the online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>e) The online facility was tested. An information request was sent to the State from the webpage and positive feedback was received by the IVA</p> <p>f) The State had no omissions reported by contractors on the online portal. Hence, we could not ascertain subsequent inclusion in the arrears database.</p> <p>g) The web link to the online publicly accessible arrears database is https://akwaibomstate.gov.ng/akwa-ibom-state-comparison-of-arrears-2020-and-2021/</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 ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	<p>The online publication contains the names of contractors owed ₦20m in arrears and above. https://akwaibomstate.gov.ng/akwa-ibom-state-contractors-arrears-20m-and-above-in-2021/</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																												
8.	<p>Has the State met the following?</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p>Basic target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch target: More than 20 percent decline</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.</i></p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2021</th> <th>2020</th> <th>Diff. (%)</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>40,884,219,336.64</td> <td>64,776,242,672.99</td> <td>36.88</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>33,896,522,547.34</td> <td>28,982,610,279.70</td> <td>16.95</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Judgment Debt</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Domestic Arrears</td> <td>74,780,741,883.98</td> <td>93,758,852,952.69</td> <td>20</td> </tr> </tbody> </table>				Aggregate Amount of:	2021	2020	Diff. (%)	Contractors Arrears	40,884,219,336.64	64,776,242,672.99	36.88	Pension and Gratuity arrears	33,896,522,547.34	28,982,610,279.70	16.95	Salary arrears and Staff claims				Judgment Debt				Other types of domestic expenditure arrears				Total Domestic Arrears	74,780,741,883.98	93,758,852,952.69	20	Satisfactory	
		Aggregate Amount of:	2021	2020	Diff. (%)																														
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		Total Domestic Arrears	74,780,741,883.98	93,758,852,952.69	20																														
<p>a) IVA obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and confirmed it was the same as the balances stated within the SDDR and the AFS for 2021.</p> <p>₦93,758,852,952.69 – ₦74,780,741,883.98 X 100 ₦93,758,852,952.69</p>																																			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations						
		= 20.24% The percentage decline 20.24% Source: State internal domestic expenditure arrears database								
DLI 9: Improved Debt Sustainability										
DLR 9.0	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021 AND Total debt stock at end of December 2021 as a share of total revenue for FY 2021 meets target: -Basic target: < 120% -Stretch target: < 95%		Achieved (Basic Target Met)							
1	Has the State met: (i) the ratio of total debt stock at end-of-year (31 st December 2021) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1 st January to 31 st December 2021)? -Basic target: < [120%] -Stretch target: < [95%]	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison. <u>Total Public Debt*</u> <table border="1"> <thead> <tr> <th></th> <th>Financial Statements (₦)</th> <th>DMO/ SDEDR Figures (₦)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>190,608,901,000</td> <td>195,825,929,088.01</td> </tr> </tbody> </table>		Financial Statements (₦)	DMO/ SDEDR Figures (₦)	Total Domestic Debts	190,608,901,000	195,825,929,088.01	Satisfactory (Basic Target Met)	
	Financial Statements (₦)	DMO/ SDEDR Figures (₦)								
Total Domestic Debts	190,608,901,000	195,825,929,088.01								

Disbursement Linked Indicators (DLIs) and Tests	Findings			Conclusion	Recommendations
(ii) Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021.	Total External Debts	19,010,697,000	19,010,697,122.15		
	Total Public Debts	209,619,598,000	214,836,626,210.15		
	Total Annual Revenue				
	2021 Adjusted IGR (see DLI 4.2)	37,715,431,000			
Gross FAAC Allocation**	175,368,245,451				
Grants	7,249,283,000				
Other Revenues	176,097,000				
Total Revenue	220,509,056,451				
<p>a) The IVA has obtained the State Domestic and External Debt Report (SDEDR) from the Federal DMO.</p> <p>We have computed the total debts stock / Revenue percentage for the 2021 year, as follows:</p> <p>DMO DEBT COMPUTATION</p> $\frac{\text{₱}214,836,626,210.15}{\text{₱}220,509,056,451} = 97.43\%$ <p>AFS DEBT COMPUTATION</p>					

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p style="text-align: center;"> $\frac{\text{₦}209,619,598,000 \times 100}{\text{₦}220,509,056,451}$ =95% </p> <p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:</p> <p style="text-align: center;"> $\frac{\text{₦}13,737,431,708 \times 100}{\text{₦}175,368,245,451}$ =7.8% </p> <p>b) The IVA has obtained the Federal DMO State Domestic and External Debt Report (SDEDR) to compare the debt stock stated in the Federal DMO State Domestic and External Debt Report with the debt stock stated in the audited financial statement. The total Debt Stock stated in the AFS is ₦ 209,619,598,124.02 (Domestic Debt ₦190,608,901,000 and External Debt of ₦19,010,697,000).</p> <p>c) The IVA has obtained the Federal DMO State Domestic and External Debt Report (SDEDR) to do the comparison of the State’s debt figures in the AFS and the DMO adjusted figures as shown in the Table above.</p> <p>Sources:</p> <p>i. For Total Revenue 2021 Audited Financial Statement, Page 6</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	ii. For Total Public Debt from DMO* as at December 31, 2021 iii. NBS/OAGF (FAAC) *Table 3(i) below holds a breakdown of the Total Debt. ** Refer to the FAAC table on DLI9 provided.		

TABLE 3(i): DLI 9 31 DECEMBER 2021 STATE DEBT STOCK TABLES FOR AKWA IBOM STATE

S/N	AKWA IBOM STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	22,021,729,672.49
2	BAIL OUT (SALARIES) (SOURCE CBN)	-
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	58,070,788,020.08
4	EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	7,339,365,455.73
5	STATE BONDS	-
6	COMMERCIAL BANK LOANS	27,671,376,653.47
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	9,390,848.57
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	1,034,879,151.49
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	-
11	HEALTHCARE DEDUCTIONS	-

S/N	AKWA IBOM STATE	2021 - AMOUNT (₦)
12	BRIDGE FINANCE FACILITY	3,053,241,757.40
13	FAMILY HOMES FUND	-
14	ANCHOR BORROWERS PROGRAMME	-
15	OTHER FGN INTERVENTIONS	-
16	MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF)	2,044,415,644.81
17	JUDGEMENT DEBTS	-
18	GOVT - GOVT DEBTS	-
19	CONTRACTORS' ARREARS	40,684,219,336.64
20	PENSION AND GRATUITY ARREARS	33,896,522,547.33
21	SALARY ARREARS AND OTHER CLAIMS	-
22	OTHER DEBTS	-
	TOTAL DOMESTIC DEBT (TDD)	195,825,929,088.01
	TOTAL EXTERNAL DEBT (TED)	19,010,697,122.15
	TOTAL PUBLIC DEBT (TED+TDD)	214,836,626,210.15

TABLE 3(ii): DLI 9 31 DECEMBER 2021 - ADJUSTED REVENUE TABLES FOR AKWA IBOM STATE

TEMPLATE: OPTION A	₦
Item	2021
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	175,368,245,451
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	151,719,884,726
1.1.1 Gross statutory allocation	42,491,024,096
1.1.2 Derivation	91,992,683,312
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	17,236,177,318
1.2 VAT	23,648,360,725
2. Internally Generated Revenues (IGR) - Adjusted	37,715,431,000
3. Grants (internal and external)	7,249,283,000
4A. Other revenues (4.1 + 4.2 + 4.3)	176,097,000
4.1 Investment Income (e.g. dividends)	176,097,000
4.2 Interest Earned	
4.3 Miscellaneous	
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	220,509,056,451

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>DLR 7.2</p> <p>Adjustment of Akwa Ibom State Debt Records. In compliance with the SFTAS guidelines, the verification of the States' domestic arrears is ongoing. The verification exercise has revealed that Contractors' arrears amounting to N1,000,000,000.00 (One Billion Naira only) was not reported as servicing of Contractors' arrears, thus resulting in an understatement of the figures of arrears settled by the State Government.</p> <p>Given the above, we write to inform you that the required adjustment has been affected in our debt records as follows:</p> <table data-bbox="296 748 1425 922"> <tr> <td>4th Quarter, 2021 Contractors' arrears</td> <td>N41,684,219,336.64</td> </tr> <tr> <td>Debt Reduction Established</td> <td><u>N(1,000,000,000.00)</u></td> </tr> <tr> <td>Validated Debt Stock – 4th Quarter, 2021</td> <td>N40,684,219,336.64</td> </tr> </table> <p>We have attached the revised 4th Quarter, 2021 for your necessary information and action. The 2nd Quarter, 2022 report has been adjusted accordingly..</p>	4 th Quarter, 2021 Contractors' arrears	N41,684,219,336.64	Debt Reduction Established	<u>N(1,000,000,000.00)</u>	Validated Debt Stock – 4 th Quarter, 2021	N40,684,219,336.64	<p>IVA Notes the State's Response. The details have been included in the report.</p>
4 th Quarter, 2021 Contractors' arrears	N41,684,219,336.64							
Debt Reduction Established	<u>N(1,000,000,000.00)</u>							
Validated Debt Stock – 4 th Quarter, 2021	N40,684,219,336.64							
2								
3								
4								