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

2021 Annual Performance Assessment (APA) Report

BAYELSA 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 Bayelsa 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 Bayelsa State and shows areas where the State was able to achieve results. In total, Bayelsa State achieved 12 (**Twelve**) DLRs out of 15 DLRs applicable to the 2021 APA of which 2 (**two**) DLRs were achieved in the 2020 APA.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: 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	Achieved	
	DLR 1.2: FY21 deviation for total approved original budget expenditure is < 15%		Budget deviation was 28.66%
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.	Achieved	
	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.	Achieved	
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 80 percent of state government finances.		• The State did not have a functional TSA • The State did not have Cash Management Strategy • The State TSA did not cover a minimum of 80% of the Government finances.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	2020	
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target -**Basic target**: 20%-39% -**Stretch target:** 40% or more	Stretch Target Met	
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 95 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll	Achieved	
	DLR 5.2: Link BVN data to at least 95 percent of current civil servants and pensioners on the payroll and payroll	Achieved	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	fraud addressed		
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency; and 3) Cover all MDAs receiving funds from the state budget		The Law is structured like the UNCITRAL Model Law but does not comply with the requirements.
	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		
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**	
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 3.0: Develop a functional State-level TSA where all Government revenues (IGRs ad FAAC) are credited into before expenditure. Formally approve and implement a cash management strategy. Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.

3. DLR 6.1: Amend the Procurement Law to comply fully with the provision for the establishment of an independent Procurement Regulatory Agency per the UNCITRAL Model Law.

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 (six) persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

The draft conclusions from the work done 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?	The Quarterly Budget Implementation Reports were posted online on Q1- 2021 https://www.mof.by.gov.ng/files/BAYELSA%20STATE%202021%20BUDGET%20Q1%20PERFORMANCE%20REPORT.pdf Q2- 2021 https://www.mof.by.gov.ng/files/Bayelsa%20State%202021%20Q2%20Budget%20Performance%20Report.pdf Q3- 2021 https://www.mof.by.gov.ng/files/Bayelsa%20State%202021%20Q3%20Budget%20Performance%20Report.pdf Q4- 2021 https://www.mof.by.gov.ng/files/Bayelsa%20State%202021%20Q4%20Report.pdf The State website was accessed on 25th July 2022. Dates of online publication are as follows:	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		• Q1 - (27/4/2021) – 3.86 weeks (27 days) • Q2 – (27/7/2021)- 3.86 weeks (27 days) • Q3 – (28/10/2021) – 4 weeks (28 days) • Q4 – (28/1/2022) - 4 weeks (28 days) Average days (weeks) for the online publication was computed based on the last 4 quarters, as below: $$\frac{27+27+28+28}{4}$$ Average = 27.5 days (3.93 Weeks) 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.		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each MDA as well as the actual cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	From our review of the Quarterly Budget Implementation Reports downloaded from the State's website (see web links above) we observed the following: a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures. 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. c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations. d) The State does not have a revised budget The reports included the approved budget appropriation for the year for each of the core economic classifications of	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations.		
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 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 State's Budget Performance reports show 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 transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory	
DLR 1.2	**FY [2021] deviation from total approved budget expenditure is less than 15%**		**Not Achieved**	
1	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	The State computed the budget deviation for 2021 to be 28.7% The IVA computed the budget deviation for this APA year. See the computation below: |	Total Approved Budget (₦)	Actual Expenditure (₦)
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Disbursement Linked Indicators (DLIs) and Tests	Findings			Conclusion	Recommendations
approved total budgeted expenditure and expressed in positive percentage terms? Is the expenditure outturn deviation computed less than 15%	**Capital Exp. (AFS Pages 22 and 24 and Approved Budget Expenditure Page 2)**	126,325,332,423.00	79,434,163,345.31		
	Rec. Exp. (AFS Pages 22 and 24 and Approved Budget Expenditure Page 2)	202,703,711,246.00	155,293,538,370.78		
	Total	**329,029,043,669.00**	**234,727,701,716.09**		

$$\frac{₦329,029,043,669.00 - ₦234,727,701,716.09 \times 100}{₦329,029,043,669.00}$$
$$= 28.66\%$$

The budget performance deviation is 28.66%

Source: 2021 Audited Financial Statement Pages 22 and 24 and Approved Budget Page 2 and Appropriation Law Page 12

The IVA observed discrepancies between the capital and recurrent expenditure figures in 2021 Appropriation law and the 2021 Audited Financial Statement.

	Total Approved Budget (₦)	AFS (₦)	Difference
Capital Expenditure	126,325,332,423.00	126,322,332,423.00	(3,000,000.00)
Recurrent Expenditure	202,703,711,246.00	202,706,711.246.00	3,000,000.00

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		TOTAL	329,029,043,669.00	329,029,043,669.00	0.00		
		An APA Issue Report has been given to the State and the response is awaited.					
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 [2022] budget** **AND** **Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms**					**Achieved**	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	The IVA reviewed the attendance record of the public consultation duly signed by attendees as well as minutes of the public consultation jointly prepared and signed by CSO representatives a) Some of the LGAs in attendance include: 　　i. Prince A Isiki - Ogbia LGA 　　ii. King W.S Joshua - Southern Ijaw 　　iii. King Onya Mozi Agaja - Kolokuma / Opokoma LGA b) The CSO representative in attendance include: 　　i. Dr Mrs Mary John- Women Group 　　ii. Mr Samuel Oke- Do Foundation 　　iii. Dise Sheila Ogbise- GRIT c) The sources of information from which our conclusions were drawn include minutes of the meeting, attendance, pictures, etc. which have been retained in the assessment file.				Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	d) The state held 1 public consultation on the 2022 budget at Harold Dappa-Biriye Conference Hall Government House, Onopa Yenagoa, held on Thursday 9th, September 2021 before the 2022 proposed budget was drafted. e) The IVA contacted a random sample of 10 attendees via phone call from the attendance record provided to confirm their attendance. f) The proposed Budget 2022 was drafted on Wednesday 20th, October 2021. The IVA obtained a copy of the Address/Speech by the State Governor to the State House of Assembly as evidence. g) The public consultation on the 2022 budget was held on Thursday 9th, September 2021 while the proposed 2022 Budget was drafted on 20th, October 2021. The public consultation was held before the proposed budget was drafted. h) The Proposed budget 2022 was published on Bayelsa State website on November 13, 2021 i) The Proposed budget 2022 was published on November 13, 2021 before the January 31, 2022 deadline. j) https://www.mof.by.gov.ng/files/2022%20CITIZENS%20BUDGET.zip This was accessed on (25/7/2022). **Note: Once downloaded, the zip folder contains the 2022 Proposed Budget**		
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	a) Dr Mrs. Mary John- Women Group co-signed the minutes of the consultative forum. The IVA downloaded the soft copy of the minutes and retained the copy on file. b) The Title of the minutes of the public consultation is ''Report of Citizens participatory meeting for the preparation of the 2022 Budget, held on Thursday 9th September, 2021''.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

	or before 31 January 2022 to enable citizens to find the inputs easily?	c) The signatories belong to the following organizations:
		  i. Women group - Dr Mrs Mary John
		  ii. Do foundation - Mr Samuel Oke
		  iii. GRIT - Dise Sheila Ogbise
		d) https://www.mof.by.gov.ng/files/REPORT%20OF%20CITIZEN%20PARTICIPATORY%20MEETING%202022.pdf
		The Minutes was published on (13/11/2021).
		This was accessed on (27/7/2022).
		e) The IVA perused through the State website and confirmed that the minutes of the public consultation is easy to find. However, it is not signposted on the Bayelsa State homepage.		

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?	a) The Citizens budget based on the Approved Budget (2021) was published on 29/4/2021 before the due date via https://www.mof.by.gov.ng/files/2021%20CITIZENS%20BUDGET.pdf and accessed on (25/7/2022).
		b) The IVA compared the Citizens Budget with the Approved budget 2021. The IVA did not identify any significant areas of discrepancies.
		c) The IVA compared the Citizens Budget with the suggested format provided to the state. The citizens budget prepared by the state is in line with the format provided by the Home Finance Department
		The State's Citizens budget contained the following information:
		  i. Simple explanation of the annual budget/citizens budget. Pages 1-5
		  ii. The sources of revenues. Page 11
		  iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. Pages 13 & 15
		  iv. Total expenditure by economic classifications. Page 9
		  v. The total revenue and grants, total expenditures, budget deficit, budget financing and financing gap. Pages 6-9
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		vi. Disclosure of Budget deficit (if any) and how it will be financed. Page 7 vii. Sectoral Allocation (by MDAs). Page 19 viii. Top Projects to be financed (at least 5). Page 24 d) The citizen's budget contained the minimum required budget information as shown above as in the Citizen Budget User Manual and Excel Template. e) The citizens budget prepared by the state is in line with the format provided by the Home Finance Department. The IVA did not identify any significant differences.		
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	a) The Citizens Budget includes an explanation of the key components /information in the Approved FY21 Budget. (Pages 1-5) We confirmed that the approved FY21 State budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.	Satisfactory	

5	Does the State website have functional feedback and response online mechanisms?	a) The State has established a functional feedback and response mechanism on its website.
		b) Bayelsa State operates an Email feedback and response online mechanism as well as a telephone line for inquiries. see link to website https://www.mof.by.gov.ng/contact and state government telephone line +234 (0) 803 674 6256 +234 (0) 803 423 6054
		c) The State's feedback mechanism provides at a minimum the following:
		    i. Acknowledgement of receipt of comments/feedback from citizens.
		    ii. State response to comments/feedbacks.
		    iii. Display of timeframe and State government contact details
		d) To ascertain the functionality of the feedback mechanism, the IVA made an inquiry on the feedback mechanism platform of the State on how to access the 2021 Approved
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations

		Budget. A response from an official email (mofbayelsa@gmail.com) was received by the IVA containing a link to the Approved Budget. Screenshots were obtained to support its findings.
		e) The demonstration was conducted by the state's ICT unit in the state to demonstrate how the state responds to feedback submitted online.
		The result of the demonstration and the result of the functionality test is as follows:
		    i. After the submission of the online feedback form,
		    ii. A response from an official email (mofbayelsa@gmail.com) was received
		    iii. Phone calls were put through to the State's official lines provided on the website and there was effective communication. See telephone lines +234 (0) 803 674 6256 +234 (0) 803 423 6054
		f) From the functionality test conducted above, Bayelsa State's feedback mechanism is functional. All forms of evidence were obtained and retained on file.
		
		https://www.mof.by.gov.ng/contact		

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?	a) The IVA has downloaded the Citizens Accountability Report FY2020. b) The IVA has conducted a review of the downloaded Citizens Accountability Report c) The Citizens Accountability Report was published online on 30 September 2021, and a copy has been retained on file.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		d) The IVA reviewed the contents of the full Annual Audit Report for FY2020 with the Citizens Accountability Report and found no area of discrepancies.		
		e) The IVA has obtained and reviewed the evidence of public consultation with citizens to explain the FY 2020 financial statement. (See pages 36- 41 of the C.A.R.)		
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?	a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published on the due date (30/9/2021) via https://www.mof.by.gov.ng/files/Bayelsa%20State%20Accountability%20Report%202020.pdf and accessed by IVA on (25/7/2022). b) The IVA reviewed the contents of the full Annual Audit Report for FY2020 with the Citizens Accountability Report and found no area of discrepancies. c) The IVA compared the Citizens Accountability Report with the format provided to the State. The citizens Accountability Report prepared by the state is in line with the format provided. The State's Citizens Accountability Report contained the following information: i. Simple explanation of the annual Citizens Accountability Report and the Executive Summary. Pages 4 & 5 ii. The Budget Outturn. Pages 6 - 10 iii. The Revenue Outturn. Pages 11 - 14 iv. The Expenditure Outturn. Pages 15 - 17 v. The Audit Findings. Pages 18 & 19 vi. The Audited Financial Statements. Pages 20 - 22 vii. Top Sectoral Allocations. Pages 23-30 viii. Top Value Capital Projects. Pages 31 & 32	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		ix. Citizens-Nominated Projects- Implementation Status Report. Pages 33 – 35 x. Public consultations with Citizens presenting the Annual Financial Statements. Pages 36 - 41 d) The citizen's Accountability Report contained the minimum required citizens accountability report information as shown above as in the 2020 Citizen Accountability Report User Manual and Excel Template. e) There were no areas of discrepancies		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	a) The Citizens Accountability Report presents in a summarized manner the Audited Financial Statement FY 2020. b) The Citizens Accountability Report includes a concise explanation of the key components of the FY2020 Audited Financial Statement. c) The State town hall consultation was held on 9th September 2021 to present the 2020 Financial Statements. The IVA the minutes of the public consultation and pictorial evidence which was included in the Citizens Accountability Report. We confirmed that the FY20 Annual Audit Report/Audited Financial Statement was summarized 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 9th September 2021.	Satisfactory	
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 the implementation of**		**Not Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	State TSA			

1	Has the State established a functional State-level TSA?	a. The State has not established a functional state-level TSA.
		b. The State operates multiple accounts with the following account details:
		    ● IGR Main Account: BAYELSA STATE BOARD OF INTERNAL REVENUE CONSOLIDATED IGR ACCOUNT, Access Bank, Account No. 0762327676
		    ● FAAC Account: BYSG CONSOLIDATED REV ACC FAAC Sterling Bank, Account No. 0019328680
		    ● VAT Account: BYSG VAT ACCOUNT, Sterling Bank, Account No. 0015208836
			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 can forecast cash commitments and requirements and provide reliable information on the availability of funds.	The State has a Cash Management Strategy a) The Document is called the Bayelsa State Government of Nigeria Cash Management Policy. b) It was produced in 2019 and signed by the Accountant General and Permanent Secretary Bayelsa State Ministry of Finance. c) The Strategy includes the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds. Page 10 (Payment from TSA) of the Cash Management Policy details this requirement. d) The Strategy states that sweeping shall be done once a month (on the 1st working day of the succeeding month). Page 9 – 10 (Revenue Sweeping Policy). e) The State provided their Cash Inflows and monthly Cash releases as evidence of the implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds.	Satisfactory	
3	Does the TSA have a system of cash management that allows for a central view of cash	The State has a computer application where the State can view the cash balances in the bank account(s). a) The application is called "Revenue House" produced by the	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	BIRS, ICT Team. b) It is in line with the approved cash management strategy. c) It was first deployed in September 2015 and further upgraded in 2018.		
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	a) Interviews were conducted and questionnaires completed by relevant government officials, TSA Bank operators, and a review of the State's TSA bank Statements showed that only the IGR was brought into the TSA. b) The TSA Bank is Access Bank, Account No. 0762327676. c) Not all Government monies go through this account. d) All Government monies do not sit in the other revenue collecting banks. e) The TSA bank Statement was obtained.	Unsatisfactory	The State's TSA should have one consolidated revenue treasury account for state revenues (FAAC and IGR)
5	Does the TSA cover a minimum of 80% of the State Government's finances?	The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cash flow Statement for the year ended 2021. See the computation below: |	Total Inflows (₦)	Total Outflows (₦)
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TSA Bank Statement	7,923,552,099.00	7,951,151,754.00
Government Finances*	238,363,788,338.55	234,727,701,716.19
Percentage	3.32%	3.39% | The average percentage computation is: $$\frac{3.32\% + 3.39\%}{2}$$ **= 3.36%** The TSA covered 3.36% of the State's finances.	Unsatisfactory	The State's TSA should cover all of Government Finances.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		*Sources: 2021 Audited Financial Statement (Cash flow Statement) Pages 18 and 19 and the TSA Statement from (Access Bank Plc) for (1st January to 31st December 2021).		
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**	
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	This DLR was previously achieved by the State in the 2020 APA.		
2	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?	This DLR was previously achieved by the State in the 2020 APA.		
3	Is the collection of revenues	This DLR was previously achieved by the state in the 2020		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	APA.		
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2021.	This DLR was previously achieved by the state in the 2020 APA.		
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	This DLR was previously achieved by the state in the 2020 APA.		
DLR 4.2	**Annual nominal IGR growth rate meets target**		**Achieved** (Stretch Target Met)	
1	Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets? **Basic Target:** 20% - 39% **Stretch Target:** 40%	a. The accounting basis used for revenue reporting in 2020 and 2021 from the Audited Financial Statements is the IPSAS cash basis of accounting. b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below: _table below_	Satisfactory	

Findings table (within cell):

REPORTING TEMPLATE: OPTION A	₦	₦	% GROWTH
Item	2020	2021	
Memo: Reported IGR	**12,496,030,320.00**	**18,594,563,308.56**	**49%**

Disbursement Linked Indicators (DLIs) and Tests	Findings			Conclusion	Recommendations
	in AFS (Before Adjustments)				
	VALID IGR items to be counted as IGR	**12,354,510,118.00**	**18,254,276,759.01**		
	Direct tax	10,364,773,134.00	14,624,372,157.48		
	Personal income tax (PAYE)				
	Licenses	4,810,000.00	25,456,850.00		
	Levies				
	Fees	1,391,849,811.00	3,431,801,632.25		
	Fines	3,978,063.00	2,962,300.00		
	Charges				
	Sales of goods and services	571,994,410.00	98,539,111.65		
	Earnings (Excluding interest or investment income)				
	Rent of govt. property/building	17,104,700.00	71,144,707.63		
	Other				
	"Adjusted IGR" for DLI 4.2 Calculation				
	Sum of all VALID items of IGR if AFS has that detail	**12,354,510,118.00**	**18,254,276,759.01** 48%		

₦18,254,276,759.01 – ₦12,354,510,118.00 x 100

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		₦12,354,510,118.00 **= 48%** The annual nominal growth was 48% **Source:** 2021 Audited Financial Statement Page 18.		
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 civil servants and pensioners on the State payroll?	The IVA confirmed that the State commenced the Biometric data capture of the Civil Servants and Pensioners in January 2019. The Biometric data capture of Civil Servants and pensioners is done as new staff are employed. a) The Biometric data capture is carried out by civil servants of the e-Governance Bureau with support from Soft Alliance Resource Limited. b) The total number of Civil Servants on Nominal roll is 25,789 (Report on 2021 Biometrics Register); on Payroll roll is 24,533 (Report on Staff Strength) c) The total number of Pensioners On Nominal Roll is 8090; On Payroll is 7,038 d) The total number of Civil Servants and Pensioners on the State Nominal roll is 33,879 (25,789 + 8,090) and Payroll is 31,571 (24,533 + 7038). e) The total number of civil servants and pensioners on the nominal roll and payroll changed by 20.47% and 12.26% respectively in comparison with the previous year. The state in its Report on Staff strength and biometric linkage for the 2021 payroll year stated that '' During the year,	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	there were movements into and out of the payroll, hence a cumulative surge in the total number of active civil servants as at 31/12/2021" An APA issue was raised requesting for further evidence and the State responded thus "The increase in the total number of civil servants in 2021 is as a result of new Employments, Formalization of temporary appointments, and redeployment of employees with teaching qualifications from the 8 Local Government Councils and BYSUBEB. (Please see attachments) "The Approvals for employments have been uploaded to the Google drive. **Percentage change in Nominal roll**		

Table:

Total No. of Civil Servants and Pensioners 2020	28,123
Total No. of Civil Servants and Pensioners 2021	33,879

$$\frac{2021 - 2020}{2020} \times 100$$

$$\frac{33,879 - 28,123}{28,123} \times 100$$

$$= 20.47\%$$

Percentage change in Payroll

Total No. of Civil Servants and Pensioners 2020	28,123
Total No. of Civil Servants and Pensioners 2021	31,571

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	$$\frac{2021 - 2020}{2020} \times 100$$ $$\frac{31{,}571 - 28{,}123}{28{,}123} \times 100$$ $$= 12.26\%$$ f) The total number of 30,663 persons comprising 23,625 Civil Servants and 7,038 Pensioners had been captured in the Biometrics Database. g) The IVA obtained the following documents: i. Report on the 2021 Biometric Register/ Implementation (pages 1 &2); ii. Bayelsa State Auditor-General's Payroll Audit Report for the Year ended 31st December, 2021 (pages 1 & 2); iii. Report on Staff strength and Biometric linkage for the 2021 Payroll year (page 1). iv. Bayelsa State Employee Biometrics validation Report (page 1 & 2). $$\frac{30{,}663}{31{,}571} \times 100$$ $$= 97\%$$ The State had captured 97% **biometrics** of the State's Civil Servants and Pensioners on its payroll.		
2 Has the State linked the biometrics data to the State payroll to identify ghost workers?	a) The State commenced linkage of the biometric data to the payroll in 2019 and the process is still ongoing. b) 30,663 biometrics data have been linked to the payroll (i.e. 23,625 civil servants + 7,038 pensioners). c) There were no issues of ghost workers detected during	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	the biometric linkage to payroll in the period under review.		
	d) There were no ghost workers detected, hence, no money was saved in the process.		
	e) In-year changes to the civil servant and pensioner payrolls (as a result of starters, leavers, deaths, etc.) are captured by the biometric exercise. See State's Report on Staff Strength and Biometric linkage for the 2021 payroll year.		
	f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths as follows:		
	i. The identified ghost workers and dead Pensioners by the respective MDAs are reported to the Accountant-General of the State.		
	ii. The State Accountant-General conveys the ghost workers and dead pensioners reported to the Head of Service for further directive.		
	iii. Upon receipt of the report from the State Accountant-General, the Head of Service (after satisfying herself with the State Accountant-General's report) directs the State Accountant-General to remove the names identified from the payroll.		
	iv. The State Accountant-General then instructs the Central Payroll Unit to act on the removal.		
	v. The Central Payroll Unit removes the ghost workers from the payroll immediately, notifying the affected MDAs accordingly.		
	g) There were changes to the civil servant and pensioner payrolls during the fiscal year as a result of starters, leavers, deaths.		
	h) These changes were captured by the biometric exercise.		
	i) The procedures in place to identify and remove ghost workers are:		
	i. The identified ghost workers and dead Pensioners by		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		the respective MDAs are reported to the Accountant-General of the State. ii. The State Accountant-General conveys the ghost workers and dead pensioners reported to the Head of Service for further directive. iii. Upon receipt of the report from the State Accountant-General, the Head of Service (after satisfying herself with the State Accountant-General's report) directs the State Accountant-General to remove the names identified from the payroll. iv. The State Accountant-General then instructs the Central Payroll Unit to act on the removal. v. The Central Payroll Unit removes the ghost workers from the payroll immediately; notifying the affected MDAs accordingly.		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a) There were no issues of ghost workers detected during the biometric linkage to payroll in the period under review. b) There were no ghost workers identified in the period under review. Therefore, no record was kept for ghost workers during the assessment period. c) No ghost workers were removed from the payroll as none was identified during the period under review. d) There were no ghost workers identified in the period under review. Therefore, no amount could be stated. e) The source of this information was the Report on Ghost Workers/ pensioners for the 2021 payroll year	Satisfactory	
5.2	**Link BVN data to at least [95] 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	The Linkage of staff BVN to the payroll commenced in 2020 and ended in 2021; this was implemented in batches from	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	95% of its current Civil Servants and pensioners on the State payroll?	2020 2021. The state has completed the BVN linkage of staffs to payroll a) The BVN linkage is carried out by civil servants of the e-Governance Bureau in collaboration with Soft Alliance Resource Limited b) The total number of Civil Servants and Pensioners on the payroll roll is (31,571) 24,533 + 7,038 (Report on Staff Strength) c) The total number of Civil Servants and Pensioners on the States nominal roll is (33,879) 25,789 + 8,090 d) The total payroll population with BVN data is 31,571 e) The sources of information from which our conclusion was drawn include: i. Report on the 2021 Biometric Register/ Implementation (page 2) ii. Report on Staff strength and Biometric linkage for the 2021 Payroll year (page 1). $$\frac{31{,}571 \times 100}{31{,}571}$$ $$=100\%$$ The State has linked 100 % of the State's Civil Servants and pensioners' BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	a) The total number of Staff with BVN data is 31,571. The State has completed 100% of staff linkage to payroll b) There were no issues of ghost workers detected during the BVN linkage to payroll in the period under review. Therefore, no record for ghost workers was kept. c) There was no payroll fraud identified in the period under review. d) There was no payroll fraud identified in the period under	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		review. Therefore, the total amounts saved was not stated. e) The source of this information was the Report on Ghost Workers/ pensioners for the 2021 payroll year.		
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**		**Not Achieved**	
1	Does the State have a public procurement legal framework that must be approved by the State legislature to have a legal basis, either as a law or a resolution?	a) The State has a public procurement legal framework called PUBLIC PROCUREMENT (REPEAL AND RE-ENACTMENT) LAW, 2020. b) It has been approved by the State legislature as a law. c) The Law was passed and assented by the Governor on the 14th of December 2020. d) The Procurement Law has been passed by the state legislature. e) The authorizing office is the office of the Governor. f) The date of approval of the law is the 14th of December 2020.	Satisfactory	
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory	The law conforms with the UNCITRAL Model law however, it still requires few amendments to make it comply fully. a) The team's review of the Procurement Law is that the procurement regulatory agency should have independent functions from the Central Procurement Board.	Unsatisfactory	The State should make the following improvements to its draft legislation.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
agency; and 3) cover all MDAs receiving funds from the State budget.	● E-Procurement: This is in Part XII, Section 95. ● Establishment of an independent procurement regulatory agency: Part II, Section 6. ● Cover all MDAs receiving funds from the State budget: This is in Part III, Section 22. b) The result of the expert on the Procurement Law stated that "even though the law is structured after the UNCITRAL Model Law, some provisions fail to maintain the separation of procurement implementation functions from procurement regulatory functions which is the hallmark of the UNCITRAL system". All references to sections of the law by the expert are checked and are correct. c) The conclusions of the team and the expert are aligned. d) The conclusions of the team and the expert are aligned. The Bayelsa State Public Procurement Law is not structured in line with the UNCITRAL Model Law and does not meet the requirements as shown below: 1. **E-Procurement -** We noted the following during our review of legislation; ● The Board shall design and set up a secure electronic portal to be known as the Bayelsa Government Electronic Procurement System which shall be the primary source of information for all public procurement matters and opportunities within the purview of this Law and its regulations issued under this Law. S. 95 (1). ● The Bureau in collaboration with procurement entities shall promptly and routinely publish procurement information on the Government electronic procurement system under Subsection (1) of this Section in Open Contracting Data Standards (OCDS) format, for all procurements that are above the threshold prescribed in the regulations or guidelines made under this Law. S. 95		i. Amend to ensure it provides grounds for removal of the Chief Executive of the agency.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	(3). The law, therefore, complies with the requirements for e-procurement. 2. **Independence -** The results of our assessment of the legislation for independence are in the table below: 	Required Provisions*	Result	 	The Functions and Powers of the Agency	Non-Compliant	 	The composition of the board	Compliant; See Part I, Section 1(2)	 	Membership of the Board/Council includes representatives from professional bodies and associations.	Compliant; see sections Part I, Section 1(2)	 	The grounds for removal of the Chief Executive of the agency.	Not Compliant	 	Regarding decisions of the Agency; Any other review after the Board's decision should be by judicial review	Compliant; See Section Part V, Section 81(5)	 *Provided by the World Bank 3. **Establishment of an independent procurement regulatory agency -** a) The law provides for the establishment of an independent procurement regulatory agency called the Due Process Bureau. Part II, Section 6-8. b) The law covers all MDAs receiving funds from the State budget. Part III, Section 22.		
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council,	a) The State has instituted an independent procurement regulatory function called the " Due Process Bureau" established in the year 2009, responsible for prescribing regulations and procedures for public procurements by the State's law. b) The function is being performed through a bureau.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
agency, or any other type of entity set up for the statutory purpose?	c) The agency is responsible for prescribing regulations and procedures for public procurements by the legal framework. d) The evidence we obtained to demonstrate that the regulatory agency is active and effective was a visit to the Bureau and questionnaires filled by the Director-General and staff of the Bureau. IVA also reviewed the cases/transactions handled in the period under review. e) The number of records of procurements/cases/transactions handled by the Agency that were used in performing the walkthrough to confirm the effective handling of the selected cases was 5. IVA carried out a walkthrough test on selected contracts carried out by the state in the period under review. For the cases handled via e-procurement IVA confirmed there was not part of the procurement process carried out outside the system and they were carried out effectively. Some of the sampled contracts includes : (1.) Construction of Rigid Pavement road at Ebedebiri, Salga, Bayelsa, (2.) The Sandfilling of Judges Quarters Opolo, Yenegoa, Bayelsa State. (3.) Construction of Fence at school to land authority, Edepie. (4.) Purchase of Power generating set by the Ministry of Education. (5.) Construction of Twin Two-bedroom flat for staff Qtrs at Ogbogoro Primary Health Centre.		
DLR 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**	**Achieved**	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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.			
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 line with the Open Contracting Data Standards (OCDS)?	a) IVA obtained a schedule of all contracts awarded in the period under review. b) The test IVA carried out to confirm the schedule is complete and comprehensive was to compare the schedule of contract awarded in 2021 provided by the state to the schedule of contract on the OCDS platform of the state, which was confirmed complete and comprehensive. IVA also compared the total sum of contract awarded in 2021 as per the schedule provided to the sum of total Capital expenditure for 2021 in the Audited Financial Statement. IVA discovered there was a discrepancy ₦21,670,479,376.26. (Twenty-One Billion, Six Hundred and Seventy Million, Four Hundred and Seventy-Nine Thousand Naira and Twenty-Six Kobo). i.e Total Sum of Contract awarded in 2021 of ₦101,104,642,721.57 Less Capital Expenditure Figure in the AFS of ₦79,434,163,345.31. An APA issue was raised to this effect and the State responded: "The sum of ₦101,104,642,721.57 only indicates the sum of contracts awarded in 2021. It is not the actual contract sum	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

	paid in the year 2021. The actual payments on contracts awarded in 2021 is ₦33,843,323,589.32 only. The difference between capital expenditure figure in the AFS compared to the Actual payments of contracts awarded in 2021 amounted to ₦45,590,839,755.97. This amount represents prior-year, existing contracts and milestone payments that were made in the year 2021. The difference in your computation amounting to ₦21,670,479,376.26 does not represent the variance in actual payments made on contracts awarded and paid in the year 2021."
	
	 The IVA considered the response satisfactory.
	
	 c) The State published the information on all contracts awarded for the year under assessment above the threshold online (The threshold amount for the state is ₦100,000,000.00).
	 d) The list of contracts published online is complete based on a review against the schedule of all contracts provided by the state.
	 e) IVA confirmed the data published is in line with the Open Contracting Data Standards (OCDS).
	 f) The source of the publication is the state's e-procurement portal. The weblink is https://bayelsa-eproc.eurodyn.com/epps/viewAllAwardedContracts.do
	 g) The State published the minimum contract award information required which included the following:
	     i. Project name,
	     ii. Awarding institution,
	     iii. Award date,
	     iv. Name of contractor, and
	     v. The contract amount
	 h) All information in (f) above was published.		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		i) The weblink is: https://bayelsa-eproc.eurodyn.com/epps/viewAllAwardedContracts.do j) The contract award information published on the state official website was accessible to the public.		
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-Publishing/Notification, e-Procurement Plan, e-Tendering and e-Evaluation/e-Awarding?	a) **T**he State has implemented e-procurement in at least four (4) MDAs including Education, Health, Public Works and Agriculture by 30 June 2022. b) IVA obtained a report on all transactions for the four MDAs during the period 1 January 2021 to 30 June 2022 directly from the e-procurement system. The Opened Bids details page of the e-procurement portal shows 26 opened bids for the pilot MDAs, of which 4 were cancelled and the remainder were all awarded on 17 June 2022. This does not indicate that the portal has been in use all through the required period (1 Jan 2022 to 30 June 2022), or at any point after June 2022. The State is to clarify how contracts were awarded by the pilot MDAs between the go-live date of 14 Dec 2021 and 17 June 2022 and also from June 2022 to date. The State responded that "The Bayelsa State Government concentrated more on the execution of existing contracts from the previous years. As a requirement by the DLI, the four pilot MDAs awarded new contracts in June 2022. The observation that no new contract was awarded from June 2022 to date is an indication of the State's prioritisation of the execution of ongoing projects". Note that as at 05 Oct 2022 - only the 22 contracts awarded on 17/06/2022 are reflected on the portal. c) IVA obtained a separate report of procurements for all four MDAs for the period 1 January 2021 to 30 June 2022 from the Accountant General. d) The go-live date for e-procurement at the 4 MDAs was	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	December 14th, 2021, and the evidence obtained to confirm was this was the notification of the go live notification from the developer IVA also, carried out a walkthrough test to verify the five expected minimum functionalities on the on the state's e-procurement system.		
	e) For all four MDAs after go-live, a comparison with the system generated report was done and IVA confirmed that all transactions after go-live stated in the Accountant General's report for the period 1 January 2021 to 30 June 2022 were conducted through the e-procurement system.		
	f) IVA obtained a sample of five (5) transactions at random for each of the pilot 4 MDAs and a walkthrough test of the procurement lifecycle was conducted. IVA carried out a walkthrough test on selected contracts carried out by the state in the period under review. For the cases handled via e-procurement IVA confirmed there was not part of the procurement process carried out outside the system and that they were carried out effectively and published in OCDS format. IVA also obtained and retained screenshots evidence.		
	g) The selected transactions followed the procurement lifecycle.		
	h) No parts of the transaction were conducted outside of the e-procurement system.		
	i) The e-Registration, e-Publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules have been implemented and transactions for the period 1 January 2021 to 30 June 2022 were processed through them.		
	j) IVA confirmed the State had processed all of its		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		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. k) IVA obtained screenshot evidence obtained from the walkthrough test carried out on the state e-procurement platform.		
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**	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic Public Financial Management Law?	This was previously achieved in 2020 APA		
2	Does the legislation include provisions that establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt;	This was previously achieved in 2020 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	and 3) Fiscal and debt rules/limits for the state.			
3	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the core function of recording and reporting state debt?	This was 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 the end of the quarter in 2021?	a) We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows: • Q1 submitted on 22/4/2021 - 22 days after the quarter end. • Q2 submitted on 4/8/2021 - 35 days after the quarter end,	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		• Q3 submitted on (27/10/2021 - 27 days after the quarter end • Q4 submitted on 27/1/2022 - 27 days after the quarter end. 22+35+27+27 4 Average = 27.8 days (3.96 weeks) The SDDRs were submitted within an average of 0.9 months (27.8 days).		
2	**Note: Have you reviewed for accuracy and completeness from the DMO:** The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.	a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, have been obtained. b) The State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data have been compared with the supporting documents because it was provided for by the Federal DMO Conclusions reached in this report are based on the amended DMO data. c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State have been compared with the State Audited Financial Statement. d) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement e) There were no discrepancies noted during the comparison. i. SDDR Figure: ₦154,610,714,417.03 ii. AFS Figure: ₦154,610,714,417.03 iii. Difference (If any): None f) No APA issue was raised since there was no difference. g) The State Domestic and External Debt Report (SDEDR)	N/A	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.		
3	Has the State published online the State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) by 31 December 2021?	a) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published on the State official website. b) The date of publication was 15th December, 2021. c) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published before the 31st of December 2021. The evidence of timestamp and screenshots taken from the IT back end of the State's website showing the date of online publication has been obtained. d) The web link is: https://www.mof.by.gov.ng/files/BAYELSA%20STATE%20DEBT %20SUSTAINABILITY%20REPORT%202021.pdf	Satisfactory	

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?	a. Upon review of the SDSA -DMSR, it included the following:
		
		 (1) Adequate presentation of medium-term budget forecasts, including:
		
		   a) Presentation of MTB forecasts with projected annual figures from 2021 to 2024 was done in Bayelsa State MTEF table in page 7 of Bayelsa State Debt Sustainability Report 2021.
		   b) Description of assumptions underpinning the MTB forecasts from 2021 to 2024 was done on a table with assumptions and corresponding explanations in writing. See Annexure 1 table of assumptions in page 34 and section 4.1 Medium Term budget forecast in page 15 of Bayelsa State Debt Sustainability Report 2021.
		   c) A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout
			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	the period 2021-2024. See Section 2.2 2022-2024 Medium Term Fiscal Framework (MTEF) in page 4 of Bayelsa State Debt Sustainability Report 2021. d) The presentation and analysis in the entire forecast period was of adequate quality, and did not contain illogical statements. (2) A detailed and adequate description of the debt portfolio and borrowing options, including: a) Presentation of debt and borrowing projections in the baseline scenario with projected figures from 2021 to 2030. See section 4.2 borrowing assumptions/options, section 4.3 DSA simulation results in page 15, and annexure 2 baseline projections in page 39 of Bayelsa State Debt Sustainability Report 2021. b) Description of assumptions underpinning the borrowing options presented. See section 4.2 borrowing assumptions/options in page 15 of Bayelsa State Debt Sustainability Report 2021. c) A summary analysis of the debt projections and their implications for debt sustainability and fiscal policies throughout the period 2021-2030. See section 4.3 DSA simulation results in page 15 and section 4.4 DSA sensitivity analysis (shock analysis) of Bayelsa State Debt Sustainability Report 2021. 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. See section 5.2 DMS Simulation Results of Bayelsa State Debt Sustainability Report 2021. e) The presentation and analysis in the entire forecast period was of adequate quality, and did not contain		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

	illogical statements.
	
	(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year, which contains the following;
	
	   a) Presentation of revenue, expenditure, budget balance, and debt information, at least for 2020 in charts with historical figures for at least 2020. See section 3.1 Revenue from pages 8 – 10 and section 3.2 State Debt portfolio 2016 – 2020 in pages 10-13 of Bayelsa State Debt Sustainability Report 2021.
	   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. See section 3.1 Revenue from pages 8 – 10 and section 3.2 State Debt portfolio 2016 – 2020 in pages 10-13 of Bayelsa State Debt Sustainability Report 2021.
	   c) The presentation and analysis in the entire historical period was of adequate quality, and did not contain illogical statements.
	
	b. A review and comparison between the information contained in the assessment report of the SDSA-DMSR obtained from the DMO and the SDSA-DMSR obtained from the State Website was done. The SDSA-DMSR obtained from the State contained Presentation of MTB forecasts in a table with projected annual figures from 2021 to 2024, A detailed and adequate description of the debt portfolio and borrowing options in the baseline scenario with projected figures from 2021 to 2030 presented in charts and adequate presentation and analysis of the debt and fiscal figures position in the		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		preceding calendar year with historical figures from 2016 – 2020.		
		c. There was no difference between the SDSA-DMSR obtained from the DMO and that obtained from the State.		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	**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**		**Achieved** (Stretch Target Met)	
1	Has the State established an Arrears Clearance Framework (ACF)?	a) The State has established an Arrears Clearance Framework (ACF) b) IVA has obtained a copy of the ACF from the State c) The establishment of the ACF occurred by 30 June 2021 - the latest date by which the ACF must be established in order for this result to be achieved. d) The ACF was established on the 29th of June 2021 which	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		was 6months before 31 December 2021 year-end. This is adequate to allow time for the implementation of the ACF		
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled. b) The two stated requirements were explicitly mentioned in the ACF. See page 7 and 16 of the ACF c) Other documents submitted by the state to confirm the ACF exists was SARVCR and schedule of Arrears cleared in the year. IVA traced the stock of arrears to the AFS and SDDR. Schedules of arrears paid in the year were also reviewed to ascertain accuracy and consistency with arrears stock reporting documents.	Satisfactory	
3	Has the ACF been published on a State official website?	a) IVA confirmed that the ACF has been published on a State official website b) IVA has downloaded a copy for validation c) The weblink of publication is: https://www.mof.by.gov.ng/files/BAYELSA%20STATE%20 DOMESTIC%20EXPENDITURES%20ARREARS%20CLEARANC E%20GUIDELINE..pdf d) Evidence obtained to confirm the date of publication is a time stamp from the backend of the date of publication of the ACF. This has been retained in the assessment file.	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	The clearance of domestic expenditure arrears is consistent with the ACF. IVA observed that ACF position on clearance of contractors' arrears include payment of accrued liabilities to ensure oldest and critical debts were paid in order to avoid adverse rating. It was also observed that while contractors' debt incurred in the year was N1, 405,602,884 only, the state settled N12, 135,811,054 as contractors' arrears. This shows that the state cleared old arrears as stated in ACF. A study of the schedule of pension and gratuity arrears paid in 2021 also showed that more older retirees were paid as stated in the	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		ACF.		

5.	Has the State established an Internal Domestic Arrears Database?	a) The State has established an Internal Domestic Arrears Database
		
		b) The Internal Domestic Arrears Database includes the following:
		
		    a. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, at a minimum, the internal domestic arrears database must also include the name of the contractor, the amount due at the end-of-year, the nature of the goods and services procured that generated the claim, and billing data (as applicable). The database should show the total domestic arrears stock at the end of each year.
		
		    b. The aggregate amount of pension and gratuity arrears. The state has only contractors and pension and gratuity arrears.
		
		c) There is a verification process is in place for the arrears in the database
		
		d) IVA confirmed through the evidence provided by the State that the State has conducted verification of arrears balances.
		
		e) IVA conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, payroll records, underlying contract data, etc.
		
		The State submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)
			Satisfactory	

6	Has the State published online elements of the internal	a) The State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2020	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
domestic arrears database for the FY **2020** and FY **2021** reported on a State official website, which constitutes the online publicly accessible arrears database?	and 2021 because state published all its arrears online b) The state published all its arrears online, therefore the online publicly-accessible arrears database and internal domestic arrears database have the same information which are also consistent with each other. 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. 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 database. d) IVA confirmed that the online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State. e) A message was sent to the email address provided on the online portal. The mail was received and promptly responded to. The mail sent and the response have been retained in the assessment file. f) The state did not receive any report of omission from any of its contractors. g) The state did not receive any report of omission from any of its contractors h) The web links to the online publicly accessible arrears database are: https://www.mof.by.gov.ng/files/BAYELSA%20STATE%20CON TRACTORS%20ARREARS%20DATABASE%20DECEMBER%20202 1.pdf https://www.mof.by.gov.ng/files/BAYELSA%20STATE%20ARRE		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		ARS%20CLEARANCE%20REPORT%202021.pdf		
7.	Does the online publication include? 1) the aggregate amount of contractors' arrears; 2) the aggregate amount of pension and gratuity arrears; 3) the aggregate amount of salary arrears and other staff claims; 4) other types of domestic arrears and 5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.	The online publication includes the aggregate amount for the contractors' arrears and pension and gratuity arrears. These are the only two types of arrears that the state has. The online publication contains the names of contractors owed ₦20m in arrears and above. The state actually published all its contractors' arrears.	Satisfactory	
8.	Has the State met the following? (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. **Basic target**: At least a 5 percent decline or maintain stock below 5 billion naira		Satisfactory	

Aggregate Amount of:	2021 (₦)	2020 (₦)	Diff. (%)
Contractors Arrears	9,529,401,986.00	20,259,610,155.00	52.96
Pension and Gratuity arrears	25,885,268,034.00	29,324,551,805.00	11.72
Salary arrears and Staff claims			
Judgment Debt			

Disbursement Linked Indicators (DLIs) and Tests	Findings				Conclusion	Recommendations
Stretch target: More than 20 percent decline *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.*	Other types of domestic expenditure arrears					
	Total Domestic Arrears	35,414,670,020.00	49,584,161,960.00	28.75		

a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and confirmed it was the same as the balances stated within the SDDR and the AFS for 2021

$$\frac{₦49,584,161,960 - ₦35,414,670,020}{₦49,584,161,960} \times 100$$

$$= 28.75\%$$

The percentage decline is 28.75%

Source: State internal domestic expenditure arrears database

The Q4 SDDR submitted to the DMO shows a year-end balance for contractor arrears of N14.579bn. It is not clear how this changed to N9.529bn shown in this table and in the SARVCR. The State was asked to clarify this, and the State responded that "The 3rd Quarter debt stock on contractors' arrears as submitted to DMO was N15,579,401,985.58 with a projected principal repayment of N1,000,000,000 in the 4th quarter resulting to N14,579,401,985.58 (projected contractors arrears balance). Note: However, Actual principal repayment for the 4th quarter was N6,050,000,000 which resulted to a closing stock balance of N9,529,401,985.58. In

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		conclusion, the N14,579,401,985.58 was a projected contractors arrears balance whereas the N9,529,401,985.58 was the actual balance as at 31st December 2021 as submitted to DMO, Abuja. Also note that this is the template provided by DMO Abuja".		
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 (31st December 2021) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2021)? **-Basic target:< [120%] -Stretch target: < [95%]** (ii) Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021.	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison. **Total Public Debt*** 		Financial Statements (₦)	DMO/ SDEDR Figures (₦)	 |---|---|---| | Total Domestic Debts | 154,610,714,417.03 | 145,828,691,185.12 | | Total External Debts | 25,656,921,424.85 | 25,656,921,424.85 | | **Total Public Debts** | 180,267,635,841.88 | 171,485,612,609.69 | **Total Annual Revenue** | 2021 Adjusted IGR (see DLI 4.2) | 18,254,276,759 |	Satisfactory. (Basic Target Met)	

Disbursement Linked Indicators (DLIs) and Tests	Findings		Conclusion	Recommendations
	Gross FAAC Allocation**	158,930,995,215		
	Grants	2,181,569,500		
	Other Revenues	340,267,566		
	Total Revenue	**179,707,109,040**		

a) IVA has obtained the SDEDR from the Federal DMO and the figures obtained from the Federal DMO were at the end of Q4 2021. We have computed the total debts stock / Revenue percentage for the 2021 year, as follows:

DMO DEBT COMPUTATION

$$\frac{₦171,485,612,609.69 \quad x \quad 100}{₦179,707,109,040}$$

=95.43%

AFS DEBT COMPUTATION

$$\frac{₦180,267,635,841.88 \quad x \quad 100}{₦179,707,109,040}$$

=100.31%

We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:

$$\frac{₦22,342,891,930 \ x \ 100}{₦158,930,995,215}$$

=14.05%

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations

	b), The comparison of the debt stock stated in the Federal DMO State Domestic and External Debt Report and the debt stock stated in the audited financial statement has been done.
	
	Sources:
	
	  i. For Total Revenue 2021 Audited Financial Statement, Page 26 and 27
	  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.		

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

S/N	BAYELSA STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	22,021,729,672.49
2	BAIL OUT (SALARIES) (SOURCE CBN)	963,245,971.15
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	26,302,482,703.25
4	EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	7,547,450,148.35
5	STATE BONDS	-
6	COMMERCIAL BANK LOANS	26,017,206,073.89
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	2,194,676.33
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	2,065,037,435.91
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	-
11	HEALTHCARE DEDUCTIONS	2,297,446,160.94
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)	1,847,477,485.19
17	JUDGEMENT DEBTS	-
18	GOVT - GOVT DEBTS	-
19	CONTRACTORS' ARREARS	9,529,401,985.58

S/N	BAYELSA STATE	2021 - AMOUNT (₦)
20	PENSION AND GRATUITY ARREARS	25,885,268,033.86
21	SALARY ARREARS AND OTHER CLAIMS	-
22	OTHER DEBTS	18,296,509,080.78
	TOTAL DOMESTIC DEBT (TDD)	**145,828,691,185.12**
	TOTAL EXTERNAL DEBT (TED)	**25,656,921,424.57**
	TOTAL PUBLIC DEBT (TED+TDD)	**171,485,612,609.69**

TEMPLATE: OPTION A	₦
Item	**2021**
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	**158,930,995,217**
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	**139,274,559,735**
1.1.1 Gross statutory allocation	35,693,188,583
1.1.2 Derivation	88,721,810,525
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	14,859,560,627
1.2 VAT	**19,656,435,484**
2. Internally Generated Revenues (IGR) – Adjusted	**18,254,276,759**
3. Grants (internal and external)	**2,181,569,500**
4A. Other revenues (4.1 + 4.2 + 4.3)	**340,267,566**
4.1 Investment Income (e.g. dividends)	340,267,566
4.2 Interest Earned	
4.3 Miscellaneous	
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	**179,707,109,040**

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	Issue Number One by IVA - IVA obtained a report on all transactions for the four MDAs during the period 1 January 2021 to 30 June 2022 directly from the e-procurement system. The Opened Bids details page of the e-procurement portal shows 26 opened bids for the pilot MDAs, of which 4 were cancelled and the remainder all awarded on 17 June 2022. This does not indicate that the portal has been in use all through the required period (1 Jan 2022 to 30 June 2022), or at any point after June 2022. The State is to clarify how contracts were awarded by the pilot MDAs between the go-live date of 14 Dec 2021 and 17 June 2022 and also from June 2022 to date. RESPONSE In your earlier request for clarification on how contracts were awarded by the pilot MDAs between the go-live date of 14 December, 2021 and 17 June, 2022 and also from June 2022 to date, the State had responded that the Bayelsa State Government concentrated more on the execution of existing contracts from the previous years. As a requirement by the DLI, the four pilot MDAs awarded new contracts in June 2022. The observation that no new contract was awarded from June 2022 to date is an indication of the State's prioritization of the execution of ongoing projects. This prioritization is a state policy and is not in any way in conflict with the requirements of SFTAS, but the scheduling of procurement implementation. Furthermore, it should be noted that, the use of the procurement system, as envisaged by the defined verification protocol under the SFTAS programme should not be misconstrued as only when Contracts are awarded. Every procurement transaction has a lifecycle, which starts from the time the activity was prepared as various packages in the Annual Procurement Plan till the time is finally consummated through contract award. It is therefore misleading, nonfactual and false to conclude that the system was not in use until contract award stage. Evidence doesn't suggest this. To this end, please see attached links for various stages of the procurement activities between January and June, 2022 on the system ANNUAL PROCUREMENT PLAN PUBLICATION: https://bayelsa-eproc.eurodyn.com/epps/app/viewPublication.do This activity happened in February, 2022. It should be noted that, before an Annual Procurement Plan is published, various PDEs/MDAs would have entered the activities through the system and obtained approval at the MDA level and at the PPA level before being published. Further evidence of use is even more obvious from the most recent date shown under publication of the Plan, which means the	

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	Procurement Plan had undergone several updates, as it should be in normal procurement practice. Anything contrary should even be queried.	
	BID NOTICES/PUBLICATION:	
	https://bayelsa-eproc.eurodyn.com/epps/viewCFTSFromFTSAction.do	
	NOTE: Only procurement transactions conducted through Open Competitive Bidding are assessed through the link provided for Bid Notices/Publication above. For transactions conducted through other procedures, kindly take the following steps to view their bid notification/publication details.	
	Logon to the Bayelsa State e-GP through:	
	https://bayelsa-eproc.eurodyn.com/epps/home.do	
	Click on "Awarded Contracts" in the information area, and	
	Click on the contract title of interest to view its process details including Bid Notification/Publication Date.	
	BID OPENING:	
	https://bayelsa-eproc.eurodyn.com/epps/common/viewOpenedTenders.do	
	These activities occurred between May and June, 2022.	
	CONTRACT AWARDS:	
	https://bayelsa-eproc.eurodyn.com/epps/viewAllAwardedContracts.do	
2	Issue Number Two - Note that as at 05 Oct 2022 - only the 22 contracts awarded on 17/06/2022 are reflected on the portal. This indicates the e-procurement portal may not be in use. The State is required to clarify if the e-procurement portal is still in use with appropriate evidence	
	RESPONSE	
	With regards to your request for clarification if the e-procurement portal is still in use. PLEASE NOTE THAT THE SYSTEM IS STILL IN USE. However, we wish to state further that the timeline of IVA assessment period is from January till June 2022, and as previously confirmed by the IVA, all transactions in all the four MDAs were conducted through the e-procurement system within this period.	
3	Issue Number Three - The go-live date for e-procurement at the 4 MDAs was December 14th, 2021, and the evidence obtained to confirm this was the notification of the go live notification from the developer IVA also, carried out a walkthrough test to verify the five expected minimum functionalities on the state's e-procurement system Further review revealed the following:	IVA has noted the response of the State and adjudged this result satisfactory

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	The VP requires that: ''For MDAs with e-Procurement: States will have to have an online portal established to record and publish data on all the various processes in the procurement cycle, for all contracts awarded through e-Procurement after the go-live during the fiscal year that are in line with the Open Contracting Data Standards (OCDS'' The requirement to publish is not met if access is not possible without it being given separately by the State. The State is therefore required to provide access to the e-procurement portal RESPONSE Although, the IVA Team had access to the e-procurement portal during verification assessment visit, it is surprising to read that the portal was not accessible. Accordingly, please access the portal using - https://bayelsa-eproc.eurodyn.com/epps/viewAllAwardedContracts.do for all contracts awarded during the period of verification.	
4		