



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

2021 Annual Performance Assessment (APA) Report

CROSS RIVER 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 Cross River 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 Cross River State and shows areas where the State was able to achieve results. In total, Cross River State achieved 10 (Ten) DLRs out of 15 DLRs applicable to the 2021 APA of which 3 (Three) DLRs were achieved in the 2019 APA

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 54.98%
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.		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	2019	
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target -Basic target: 20%-39% -Stretch target: 40% or more	Basic Target Met	
DLI 5: Biometric registration and Bank Verification	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		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
Number (BVN) used to reduce payroll fraud	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		There were published tenders; all contracts were direct purchase.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.	2019	
	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		The percentage decline in the verified stock of domestic arrears was less than 5%
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%.		Total Debt Stock to Revenue is ≥ 120% by end December 2021

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

3. DLR 6.2: Ensure that competitive tenders are published.
4. DLR 8: Domestic arrears are cleared year on year to achieve total arrears of less than N5bn or a year-on-year decline of at least 20%.DLR 9: Strengthened debt sustainability by achieving the levels of debt indicators that are below the thresholds established for this DLR.

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 returns in place in this 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 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 31/07/2022) 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?	<p>The Quarterly Budget Implementation Reports were posted online on</p> <p>Q1- 2021 (https://www.crips.ng/download/crs-2021-bpr-q1/?wpdmdl=5266&masterkey=60888ee69217b)</p> <p>Q2- 2021 (https://www.crips.ng/download/crs-2021-q2-bpr/?wpdmdl=5334&masterkey=61006cd0348fb)</p> <p>Q3- 2021 (https://www.crips.ng/download/cross-river-state-2021-q3-bpr/?wpdmdl=5417&masterkey=617abff66069e)</p> <p>Q4- 2021 (https://www.crips.ng/download/cross-river-state-2021-q4-bpr/?wpdmdl=5504&masterkey=61f3ef2823aea)</p> <p>The State’s website was accessed on (26/07/2022). Dates of online publication are as follows:</p> <ul style="list-style-type: none"> ● 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 – (28/1/2021) - 4 weeks (28 days) 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Average days (weeks) for the online publication was computed based on the last 4 quarters, as below:</p> $\frac{27+27+28+28}{4}$ <p>Average = 27.5 days (3.9 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, 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>	<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> <ul style="list-style-type: none"> a) The Budget Implementation Report for Q1, Q2, Q3 and Q4, includes the approved budget appropriation for the year against each organizational units (MDAs) for each of the core economic classification of expenditures. b) The actual expenditures for the quarter attributed to each MDA as well as the cumulative expenditures for year to date were captured in the Quarterly (Q1, Q2, Q3 & Q4) Budget Implementation Reports. c) The balances against each of the revenue and expenditure appropriations were captured in the Budget Implementation Reports. d) The state has an original budget, an amended budget and virement budget. e) The Quarterly Budget Implementation Reports (Q1, Q2, Q3 & Q4) shows the approved original budget only since there is no supplementary or amended/revised budget. <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);</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations						
		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?	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 balance against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	The State's Consolidated Budget Performance Report 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 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 approved total budgeted	<p>The State computed the budget deviation for 2021 to be 42.61%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="701 1284 1409 1390"> <tr> <td></td> <td>Total Approved Budget (₱)</td> <td>Actual Expenditure (₱)</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>		Total Approved Budget (₱)	Actual Expenditure (₱)				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 (₱)								

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations	
	<p>expenditure and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 15%</p>	Capital Exp. (Page 1)	204,194,154,406	81,028,876,273.69		
		Rec. Exp. (Page 1)	52,666,815,216.00	65,817,838,474.74		
		Total	256,810,969,622.00	146,846,714,748.43		
		$\frac{\text{₱}256,810,969,622.00 - \text{₱}146,846,714,748.43}{\text{₱}256,810,969,622.00} \times 100 = 74.88\%$				
<p>The budget performance deviation is 74.88%</p> <p>Source: 2021 Audited Financial Statement Pages 54 & 55 and Approved Budget and Actual Expenditure or Appropriation Law Page 1.</p> <p>IVA compared the copies of the Audited Financial Statement 2021 downloaded with that provided at the field by the state. The total figures for income, expenditure, assets and liabilities are the same.</p> <p>IVA also compared the budgeted figures in the downloaded copy of the Audited Financial Statement 2021 against the 2021 Original Budget and the following discrepancy was identified:</p> <p>Recurrent expenditure: AFS - ₱78,378,127,515.43 Original budget - ₱52,666,815,216.00 Difference - ₱25,711,312,299.43</p> <p>Furthermore, IVA observed that the allocated amount for recurrent expenditure stated in the appropriation law is</p>						

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>different from the total budgeted recurrent expenditure figure stated in the approved budget. See below: Recurrent expenditure: Appropriation - ₦52,660,815,216 Original budget - ₦77,796,825,824.00 Difference - ₦25,136,010,608</p> <p>IVA has raised the APA issue and sent it to the State requesting for explanation.</p> <p>The financial statement figures or values published online on the State's website are one and the same with the AFS 2021 Hard Copy obtained.</p>		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [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?	<p>IVA obtained and reviewed Communique from the consultative forum, Minute of the Meeting and Attendance List.</p> <p>a) IVA confirmed local government areas were in attendance. Some of the LGAs in attendance were: Ogoja, Boki, Akpabuyo, Odukpani, Calabar Municipal and Obubra.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>b) IVA confirmed and named some of the Citizens, Citizens groups, state-based CBOs, state-based CSOs representatives in attendance as follows:</p> <p>Citizens Group</p> <ol style="list-style-type: none"> 1. Student Union 2. Traditional Council 3. Local Government Representative 4. State Government Representative 5. State-Based Community Organizations. <p>Citizens</p> <ol style="list-style-type: none"> 1. Obase Okanke Ofem 2. Mgbe Madona N. 3. Okon Promise Edim 4. Maduekwe Cynthia Chinenye 5. Prince Bassey Etim 6. Kelvin Obambon 7. HRH Mazi Eyo E. 8. Ekei Joseph 9. Felix Ukani N. 10. Oval Ranmon Ejukwa <p>State-Based CSOs</p> <ol style="list-style-type: none"> 1. Budget, Transparency and Accountability Network (BTAN) 2. National Youth Council of Nigeria (NYCN) 3. African Child Foundation (ACF) 4. Youth for New Nigeria (YNN) <p>State-Based CBOs</p> <ol style="list-style-type: none"> 1. Peace Point Development Foundation. <p>c) The sources of information from which our conclusions were drawn included Communique, minutes, attendance and questionnaires.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> d) The Consultation was held on 24th August 2021 at the Conference Room of Cross River Geographic Information Agency. Cross River, Calabar. e) IVA called 10 attendees to confirm their attendance at the public consultation. f) The budget was drafted on 20th October 2021. IVA obtained a letter forwarding the Draft Budget to the State House of Assembly as evidence to back it up. g) The Date of the consultation was 24th August 2021 while the date of the Draft Budget was 20th October, 2021. The State held public consultation before the Draft Budget. h) The date of online publication of the proposed budget was 31st January 2022. i) It was published on the deadline of 31 January 2022. j) The web link for the publication of the proposed budget: https://www.crips.ng/2022/01/31/2022-proposed-budget/. This was accessed on 25/07/2022. 		
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?	<ul style="list-style-type: none"> a) Name of the CSO that co-signed the Minutes was Obase Okanke Ofem of Budget Transparency and Accountability Network (BTAN) and a copy of the signed minutes has been retained on the assessment file. b) The title of the Minutes is 'Minutes of the 2022 Budget Consultative Forum Organized on the 24th August, 2021 by the Department of Budget Monitoring and Evaluation Governors' Office at the Cross River Geographic Information Agency's Conference Room, Calabar. The date of the Minutes was 24th August 2021. c) The signatories represented government (Director of Budget) and CSO representative (Executive Secretary BTAN) d) The web link to the publication: https://www.crips.ng/2022/01/31/crs-2022-budget-forum-minutes/ 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>The date of publication (31/01/2022). The State website was accessed on (25/07/2022).</p> <p>e) The published minutes were adequately sign-posted on the website.</p>		
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 27/04/2021 before the due date via https://www.crirs.ng/2021/04/27/2021-citizens-budget/ accessed on (25/07/2022).</p> <p>b) A comparison of the Approved Budget 2021 with the Citizens Budget was done and there were no significant areas of discrepancies.</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 by confirming if any discrepancies exist among the following:</p> <ol style="list-style-type: none"> i. Simple explanation of the annual approved budget/citizen's budget. ii. The sources of revenues. Page 5 of the Citizens Budget iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. Page 2 - 4 of the Citizens' Budget. iv. Total expenditure by economic classifications. Page 6 of the Citizens Budget. v. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. Page 5 of the Citizens Budget. vi. Disclosure of Budget deficit (if any) and how it will be financed. Page 5 of the Citizens Budget. vii. Sectoral Allocation (by MDAs). viii. Top Projects to be financed (at least 5). Page 7 of the Citizens Budget. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included.</p> <p>e) A different format was not used in the preparation of the Citizen Budget.</p>		
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	a) The Citizens Budget included an explanation of the key components /information in the Approved FY21 Budget. 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?	<p>a) The State has established functional feedback and response online mechanisms on its website.</p> <p>b) The type of feedback mechanism established on the State website is an online form filling feedback mechanism.</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>IVA obtained the screenshots of the above (i-iii) as evidence.</p> <p>d) The test conducted to ascertain the functionality of the feedback mechanism was a message sent via the online form requesting for the State Budget and in less than one minute, there was a response from the desk officer with a link to download my request.</p> <p>e) A demonstration was done by the State Ministry of Finance or State Ministry of Budget and Planning to provide further evidence to demonstrate how the State has responded to feedback submitted online. The results</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>of the evidence were that the result of the message sent via the mechanism was received in less than one minute through the email provided. The State official provided the weblink for the feedback mechanism and guided the IVA through the usage.</p> <p>f) IVA concluded that the State's feedback mechanism is functional.</p> <p>g) The web link Insert: https://www.cri.rs.ng/2020/01/24/citizens-budget-feedback-review-3/</p>		
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?	<p>a) The Citizen's Accountability Report has been downloaded.</p> <p>b) A review was done on the downloaded Citizens Accountability Report.</p> <p>c) The Citizen's Accountability Report was published before September 30, 2021, and IVA confirmed that a copy is retained on the assessment file.</p> <p>d) IVA compared the full Annual Audit Report for the year 2020 with the Citizen's Accountability Report and confirmed there were no discrepancies.</p> <p>d) IVA obtained and reviewed the evidence of public consultations with Citizens to explain the FY2020 financial statement.</p>	Satisfactory	
2	Has the State published a Citizens Accountability Report based on the Annual Financial	a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published before the date on (28/09/2021) via https://www.cri.rs.ng/2021/09/28/crs-	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	statements/ Audit Report for FY 2020 not later than 30 September 2021?	<p>2020-citizens-accountability-report/ and accessed by IVA on (25/07/2022).</p> <p>b) A comparison of the Annual Audit Report FY20 with the Citizens Accountability Report 2020 was done and there were no any areas of discrepancies.</p> <p>c) The Citizen’s Accountability Report was prepared according to the Template provided to the State by confirming if any discrepancies exist among the following:</p> <ul style="list-style-type: none"> i) Simple explanation of the Citizens Accountability Report and Executive Summary. Page 2 of the CAR ii) The Budget Outturn. Page 4 -6 iii) The Revenue Outturn. Page 7 - 16 iv) The Expenditure Outturn. Page 17 and 18 v) The Audit Findings. Page 19 - 21 vi) The Audited Financial Statements. Page 23 and 24 vii) Top Sectoral Allocations. Page 25 - 32 viii) Top Value Capital Projects. Page 33 -36 ix) Citizens-Nominated Projects-Implementation Status Report. Page 37 - 40 <p>i)</p> <p>x) The minimum required citizen’s accountability report information outlined above (extracted from the Template) has been included.</p> <p>e) The State did not adopt a different format in the presentation of the Citizen Accountability Report. Therefore, there was no significant discrepancy identified.</p>		
3	Is the Citizens Accountability Report a comprehensible (to	a) The Citizen’s Accountability Report presents in a summarized manner the Audited Financial Statement FY20	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	citizens) summary of the FY20 Annual Audit Report?	<p>b) The Citizens Accountability Report included a concise explanation of the key components of the FY2020 Audited Financial Statements.</p> <p>c) IVA received and retained the Minutes of Public Consultation on the presentation of Citizen Accountability Report 2020. The Meeting was held on 7th October 2021 at the GIA Conference Hall Calabar. The meeting which included the presentation of the 2020 Financial Statement was attended by the representatives of the government, CSOs and traditional councils in the State.</p> <p>d) We confirmed that the FY20 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 7th October, 2021.</p>		
<i>DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA</i>				
DLR 3.0	Improved cash management and reduced revenue leakages through the implementation of State TSA		Not Achieved	
1	Has the State established a functional State-level TSA?	<p>a. The State has established a functional state-level TSA.</p> <p>b. The State operates multiple accounts. The account details are as follows:</p> <ul style="list-style-type: none"> ● IGR Main Account: Account name: Cross River State Consolidated Revenue account Bank name: Zenith Bank Plc Account number: 1015594528 ● FAAC Account: (TSA) Account name: CRSG Expenditure FAAC Account 2 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Bank name: United Bank for Africa (UBA Plc) Account number: 1019301797 <ul style="list-style-type: none"> ● VAT Account: Account name: CRSG VAT Account Bank name: First Bank Nigeria Plc Account number: 2017445586 		
2	<p>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.</p>	<p>The State has a Cash Management Strategy.</p> <p>a) The document's name is "Government of Cross River State of Nigeria Cash Management Strategy". However, the IVA observed during the 2020 assessment that the State's TSA, was domiciled with Zenith bank while for 2021 assessment it was changed to UBA Plc without any adjustment being made to the Cash Management Strategy to reflect the change (especially as regards periodic sweeps of balances from various collecting accounts into the TSA). An APA issue has been sent to the State to provide documentary evidence to justify its position and the State provided Cash Management Strategy 2020 that revealed United Bank for Africa as the TSA Bank used in the year 2021 (see page 16 of the attached document)</p> <p>b) It was produced in December 2018 and signed by both the Permanent Secretary Ministry of Finance and the Account General of the State.</p> <p>c) The clause number and page where it showed that it covered the processes through which the State Ministry of Finance or Budget/Economic Planning is able to forecast cash commitments and requirements are pages 18 & 19 (2.4.2).</p> <p>d) The strategy in section 2.4.1 page 15, 4th bullet point: Account sweeping Policy states that cash sweeping should be done daily.</p> <p>e) There was evidence of implementation of processes described in the Cash Management Strategy to forecast</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		cash commitments and requirements and provide reliable information on the availability of funds. The State provided their Cash Plan which showed the existence of cash commitments and requirements forecasts at monthly intervals.		
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>The State has a computer application where the State can view the cash balances in the bank account(s).</p> <p>a) The computer application name is Revotax and the producer of the application is Appmart Integrated Ltd.</p> <p>b) The application is in line with the approved cash management strategy.</p> <p>c) It was deployed in 2018</p>	Satisfactory	
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	<p>a) The following Revenue generating MDAs were visited; Ministry of Health, Ministry of Education and Ministry of works. The Director of finance and administration (DFA) in these three MDAs were interviewed. Two out of the three DFAs (Ministry of Health and Education) confirmed that all revenues collected by the MDAs are done centrally through the Pay Direct system. The revenues are swept daily from the different collecting commercial Banks into the IGR Consolidated Revenue Account maintained at Zenith bank Plc and then into the State TSA. As at the time of visit, the Ministry of works does not collect any revenue for the Government.</p> <p>b) The TSA of the State is the FAAC Expenditure account 2: CRSG Expenditure FAAC Account 2 with United Bank for Africa Plc, Account number: 1019301797</p> <p>c) All government monies go through this account. All inflows are first recognized in this account before being spent.</p> <p>d) All government monies do not sit in the other revenue collecting banks.</p> <p>e) The TSA bank Statement was obtained.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																																
5	<p>Does the TSA cover a minimum of 80% of the State Government's finances?</p> <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. See the computation below:</p> <table border="1" data-bbox="751 391 1367 581"> <thead> <tr> <th></th> <th>Total Inflows (₦)</th> <th>Total Outflows (₦)</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>106,914,690,600.68</td> <td>106,730,520,042.17</td> </tr> <tr> <td>Government Finances*</td> <td>145,199,952,269.33</td> <td>146,846,714,748.43</td> </tr> <tr> <td>Percentage</td> <td>74%</td> <td>73%</td> </tr> </tbody> </table> <p>The average percentage computation is: $\frac{74\% + 73\%}{2}$ $= 73.5\%$ The TSA covered 73.5% of the State's finances.</p> <p>*Sources: 2021 Audited Financial Statement (Cash flow Statement) Page 51 and the TSA Statement from UBA plc for 1st January - 31st December, 2021.</p> <p>The computation of government finances based on APA issue raised to the state is as follows:</p> <p>COMPUTATION OF GOVERNMENT FINANCES</p> <table border="1" data-bbox="695 1122 1360 1437"> <thead> <tr> <th>Line Items</th> <th>Statement</th> <th>Page No</th> <th>Cash Figures</th> </tr> </thead> <tbody> <tr> <td colspan="4"><u>CASH INFLOW</u></td> </tr> <tr> <td>Net Share of Statutory Allocation from FAAC</td> <td>Cashflow/ Note 1</td> <td>51 & 58</td> <td>35,431,917,741.13</td> </tr> <tr> <td>Share of excess crude Account</td> <td>Cashflow/ Note 1</td> <td>51 & 58</td> <td>17,988,456,159.62</td> </tr> <tr> <td>VAT Allocation</td> <td>Cashflow</td> <td>51</td> <td>19,652,134,164.70</td> </tr> </tbody> </table>		Total Inflows (₦)	Total Outflows (₦)	TSA Bank Statement	106,914,690,600.68	106,730,520,042.17	Government Finances*	145,199,952,269.33	146,846,714,748.43	Percentage	74%	73%	Line Items	Statement	Page No	Cash Figures	<u>CASH INFLOW</u>				Net Share of Statutory Allocation from FAAC	Cashflow/ Note 1	51 & 58	35,431,917,741.13	Share of excess crude Account	Cashflow/ Note 1	51 & 58	17,988,456,159.62	VAT Allocation	Cashflow	51	19,652,134,164.70	Unsatisfactory	The State's TSA should cover all of Government Finances.
	Total Inflows (₦)	Total Outflows (₦)																																	
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations	
		Internally Generated Revenue	Cashflow	51	22,912,281,172.17			
		Financing activities	Cashflow	51	49,215,163,031.71			
		TOTAL INFLOW			145,199,952,269.33			
		CASH OUTFLOW						
		Recurrent expenditures	Cashflow	51	41,289,578,025.88			
		Capex (Investing activities)	Cashflow	51	81,028,876,273.69			
		Financing activities	Cashflow/ Note 1	51 & 58	24,528,260,448.86			
		TOTAL OUTFLOW			146,846,714,748.43			
		<p>The results of IVA review of inflows and outflows shown on the TSA Statements to identify spurious items that increase the year end totals for no justifiable reason has been inserted below.</p> <p>There were no reversed or cancelled transactions. All inflows except VAT, are first swept into the TSA account before being transferred to expenditure accounts for spending.</p> <p>No adjustments were made to the TSA Year end totals to remove spurious entries/transactions before conducting the calculations shown above because it doesn't look like a reversal entry</p> <p>Note: The State's Annual Outflow in 1.2 (Actual) is the same in the table above shown as Government Finances (Outflow).</p>						
DLI 4: Strengthened Internally Generated Revenue (IGR)								

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
Collection				
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		Previously Achieved in 2019 APA	
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?	Previously Achieved in 2019 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?	Previously Achieved in 2019 APA		
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for	Previously Achieved in 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	reporting and accounting for the revenues?															
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.	Previously Achieved in 2019 APA														
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	Previously Achieved in 2019 APA														
DLR 4.2	Annual nominal IGR growth rate meets target		Achieved (Basic Target)													
1	Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20% - 39% Stretch Target: 40%	<p>a. The accounting basis used for revenue reporting in 2020 and 2021 from the Audited Financial Statements is Cash</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1" data-bbox="690 1138 1407 1419"> <thead> <tr> <th>REPORTING TEMPLATE: OPTION A</th> <th>₱</th> <th>₱</th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2020</th> <th>2021</th> <th></th> </tr> </thead> <tbody> <tr> <td>Memo: Reported IGR in AFS (Before Adjustments)</td> <td>17,745,568,486.00</td> <td>22,912,281,172.17</td> <td>29%</td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION A	₱	₱	% GROWTH	Item	2020	2021		Memo: Reported IGR in AFS (Before Adjustments)	17,745,568,486.00	22,912,281,172.17	29%	Satisfactory	
REPORTING TEMPLATE: OPTION A	₱	₱	% GROWTH													
Item	2020	2021														
Memo: Reported IGR in AFS (Before Adjustments)	17,745,568,486.00	22,912,281,172.17	29%													

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		VALID IGR items to be counted as IGR	17,745,568,486.00	22,912,281,172.17		
		Direct tax	9,628,824,409	9,559,664,830.17		
		Personal income tax (PAYE)				
		Licenses	1,134,302,244	148,231,292.09		
		Levies				
		Fees	6,932,741,867	3,837,300,740.12		
		Fines		153,119,746.68		
		Charges				
		Sales of goods and services	40,601,046	237,195,170.05		
		Earnings (Excluding interest or investment income)	9,098,919	8,976,769,392.76		
		"Adjusted IGR" for DLI 4.2 Calculation				
		Sum of all VALID items of IGR if AFS has that detail	17,745,568,486	22,912,281,172.17	29%	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>*Please Unpack the Miscellaneous from the notes to the Account</p> $\frac{\text{₦}22,912,281,172.17 - \text{₦}17,745,568,486}{\text{₦}17,745,568,486} \times 100 = 29\%$ <p>The annual nominal growth was 29%</p> <p>The IVA observed an unusual increase in IGR from Earnings over the previous period 2020. The increase is reflected as N8,357.827,088 of 'Earnings' through the IRS in 2021. This is over and above the N9bn Plus of Direct taxes shown as received by the IRS in 2020 and 2021. (See Note 2 on page 61 of the AFS). The IVA sent an APA issue to the State to request for clarification for the unusual increase in the IGR from Earnings and the State responded that “this unusual increase in IGR is as a result of the lifting of ban for businesses to operating as due to the COVID 19 epidemic there was a prolong period of stay at home and businesses were not allowed to operate in the year 2020”. Hence, the IVA considered the response as admissible.</p> <p>Source: 2021 Audited Financial Statement Page 51.</p>		
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	The State commenced and completed the Biometric data capture of the Civil servant and Pensioners in 2016.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	servants and pensioners on the State payroll?	<p>a) It was outsourced to the AppMart Integrated Ltd. Consultant.</p> <p>b) The total number of Civil Servants 15,105</p> <p>c) The total number of Pensioners is 8,796</p> <p>d) The total number of Civil Servants and Pensioners on the State nominal roll and payroll are 23,901</p> <p>e) The total number of Civil Servants and Pensioners on the Nominal roll and payroll in comparison with previous year's figure changed by 3%.</p> <p>f) The number of biometrics data that has been captured is 23,901</p> <p>g) IVA obtained the following documents for their conclusion: report from the Office of The Accountant General, stated as Summary Report of Civil Servants and Pensioners in Cross River State Payroll as at December 2021.</p> <p style="text-align: center;"><u>No of Biometric Data Captured</u> Total No of Civil Servants + Pensioners on payroll</p> $\frac{23,901 \times 100}{15,105 + 8,796} = 100\%$ <p>The State had 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 payroll to identify ghost workers?	<p>a) The State commenced the linkage of biometric data to payroll in 2016.</p> <p>b) The total number of staff and Pensioners that have been linked is 23,901</p> <p>c) No ghost workers were detected during the biometric validations.</p> <p>d) No amount of money was saved from the ghost workers, as there were no ghost workers identified</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>e) There were in-year changes to the Civil Servant and Pensioners payrolls as a result of starters, leavers, death etc. and these were captured by the biometric exercise.</p> <p>f) There are procedures put in place for ensuring timely, within 1 or 2 months of the event and updates to the payroll to reflect leavers, retirees, and deaths. IVA obtained the following documents to support its conclusion: Summary Report of Civil servants and Pensioners in Cross River states Payroll December 2021, Progress on Biometric Registration and Implementation by Head of Service and Screenshot from dashboard for Civil servant and Pensioners.</p> <p>g) There were changes to the civil servant and pensioner payrolls during the fiscal year as a result of starters, leavers, deaths, etc.</p> <p>h) The above changes were captured by the biometric exercise.</p> <p>i) The procedures put in place to identify and remove ghost workers are:</p> <ul style="list-style-type: none"> i. Periodic personnel audit reports obtained from MDAs ii. Monthly updates from the Office of the Head of Service iii. Reports/notification from the deceased staff family member. iv. For dead pensioners, notification is obtained from the sub-treasurer via pension units and direct reports from the deceased family member. v. Retirees are automatically migrated to the pension database. 		
3	Has the State removed confirmed ghost workers and ghost pensioners within three	<p>a) No ghost workers were detected during the linkage.</p> <p>b) No ghost workers were identified.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	(3) months of each case being confirmed?	<p>c) No ghost workers were identified and none was removed from the payroll.</p> <p>d) The total payments (emoluments of employee and pensioners) remain the same since there were no ghost workers.</p> <p>e) The total payments (emoluments of employee and pensioners) remain the same since there were no ghost workers.</p> <p>f) IVA sources of this information are: One page report on Biometric registration and Implementation, Summary Report of Civil Servants and Pensioners in Cross River State Payroll as at 31 December 2021, Screenshot of Pensioners and Civil Servants.</p>		
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 95% of its current Civil Servants and pensioners on the State payroll?	<p>The State commenced and completed the linkage of BVN data of the Civil Servant and Pensioners in 2016.</p> <p>a) It was outsourced to AppMart Integrated Ltd.</p> <p>b) The total no of civil servants and pensioners is 23,901</p> <p>c) The total no of civil servants and pensioners in the nominal roll is 23,901</p> <p>d) The total number of BVN data that has been linked to payroll is 23,901 (pensioners 8,796 and Civil servants 15,105).</p> <p>e) IVA obtained documents from The Accountant General Office, at the Salary and pensions Unit.</p> <p style="text-align: center;"><u>No of BVN Data Linked × 100</u> Total No of Civil Servants + Pensioners on payroll</p> <p style="text-align: center;"><u>23,901 × 100</u> 15,105 + 8,796</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		=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?	<ul style="list-style-type: none"> a) All Civil Servants and Pensioners are with BVN data. b) The State had no record for payroll fraud. c) No date /month for payroll fraud was identified by the IVA d) The total payment of employees remained the same as no payroll fraud was identified. e) The payroll figure did not change because no payroll fraud case was identified. f) The State provided: One page Report of civil Servants and Pensioners in Cross River States Payroll as at December 2021, Printout of employee registration Report. 	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3) cover all MDAs receiving funds from the State budget		Previously Achieved In 2019 APA	
1	Does the State have a public procurement legal framework that must be approved by the	Previously Achieved In 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	State legislature to have a legal basis, either as a law or a resolution?			
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency; and 3) cover all MDAs receiving funds from the State budget.	Previously Achieved In 2019 APA		
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, agency, or any other type of entity set up for the statutory purpose?	Previously Achieved In 2019 APA		
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 format on the online portal for the 4 MDAs AND For those MDAs without e-procurement: Publish contract award information above a		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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)?	<p>a) IVA was able to obtain a schedule of all contracts awarded during the year under assessment.</p> <p>b) The checks IVA carried out to confirm whether the schedule was indeed complete and comprehensive are:</p> <ol style="list-style-type: none"> 1. Number of Contract shown for traditional large spending for MDAs 2. Number of awards in some or several months of the year 3. Number of contracts shown for several MDAs in the period 4. IVA checked if the total contracts awarded per the schedule provided by the State is in line with the approved capital budget for the year or the actual capital expenditure outturn for the year. <p>IVA observed the following:</p> <p>Actual Capital expenditure – 81,028,876,273.69</p> <p>Total Schedule of contract- 71,258,527,630.69</p> <p>Difference- 9,770,348,643.00</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>An APA issue was raised and the state responded as follows:</p> <p>“The difference of N9,770,348,643.00 from the total schedule of contract provided, and capital expenditure reported in the Audited financial statement 2021 constitute payment of liabilities and arrears of ongoing projects that were awarded in the year 2020...”</p> <p>The IVA noted the State’s satisfactory response.</p> <p>c) The State published the information of all contracts awarded for the year under assessment above the threshold online (The threshold amount is N10M) - See revised procurement Approval thresholds. This document has been retained in the assessment file</p> <p>d) The list of contracts published online is complete based on IVA’s review of the schedule of all contracts provided with the Capital Expenditure</p> <p>e) The data published is in line with the Open Contracting Data Standards (OCDS)</p> <p>f) The source of the publication is OCDS portal. A physical inspection of the Bureau of Public Procurement was conducted, and IVA observations confirmed the existence of a functional State instituted procurement regulatory function, which is performed through Cross River State Government Bureau of Public Procurement (CRSNPP).</p> <p>g) The minimum contract award information that was published are:</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> (i) Project name, (ii) Awarding institution, (iii) Award date, (iv) Name of contractor, and (v) The contract amount. <p>h) All items (g) above were published.</p> <p>i) The web link where data was published is: http://2021.dppib-crsgov.com/</p> <p>Further review showed that the data from the weblink cannot be filtered, analyzed or downloaded. Also, the Export Data function does not work. The State is required to correct this.</p> <p>The IVA reviewed the submission of the State and observed that the “Export Data” functionality is working.</p> <p>j) The contract award information published on the state official website is 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-Publishing/Notification, e-Procurement Plan, e-Tendering and e-Evaluation/e-Awarding?	<ul style="list-style-type: none"> a) The State has implemented e-procurement in at least four (4) MDAs (including Education, Health and Public Works) by 30 June 2022. The weblink is https://e-procurement2021.dppib-crsgov.com/ 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 systems. 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 is 31/12/2021, and the State provided a screenshot as evidence to prove the go-live date for each of the five expected minimum functionalities. However, a zoom 	Unsatisfactory	The State should ensure that competitive tenders are published

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>meeting showing the date above as evidence is on the google drive.</p> <p>e) A comparison of all four MDAs after go-live, 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 to 30 June 2022 were conducted through the e-procurement system</p> <p>f) A sample of five (5) transactions at random for each of the 4 MDAs was selected and a walkthrough test of the procurement lifecycle was conducted by IVA and the sample includes at least two of the following categories of expenditure (goods, works or services)</p> <p>g) The selected transactions followed the procurement lifecycle.</p> <p>h) No parts of the transaction were conducted outside of the e-procurement system.</p> <p>i) The e-Registration, e-Publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules have been implemented and transactions processed through them for the period 1 January to 30 June 2022.</p> <p>j) The State had 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 to 30 June 2022 for a minimum of six months within that period</p> <p>k) The evidence obtained for the selected sample transaction are:</p> <ol style="list-style-type: none"> a. E- registration b. E- bid submission c. E- bid opening d. E- evaluation e. E- awarding 		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>In furtherance to the above, based on further review, the IVA noted the following observations:</p> <p>I. None of these modules were accessible on the e-procurement platform seen at https://2021.dppib-crsgov.com/index.php</p> <p>II. In particular, the 'log-in' link gave a '404' error message (screenshot retained). The 'OCDS' link gave a list of awarded contracts published on December 2021 and with only 2021 contracts. (screenshots retained). No 2022 transactions were seen. No links were seen to procurement plans, e-tendering, e-evaluation, e-publication/notification etc.</p> <p>III. Clicking on the 'E-PROCUREMENT PORTAL' link on the landing page yields a 'log-in' page for which only registered users have access. This is not likely to meet requirement for publishing procurement information online.</p> <p>IV. Clicking on the 'OPEN CONTRACTING' link on the landing page yields further links to 'Records', 'Release Packages' and 'Planning'.</p> <p>The above suggests this e-procurement system/portal was not in use in 2022</p> <p>The State responded and provided an updated link as follows: https://eprocurement.dppib-crsgov.com/procurement-plans-2022.php</p> <p>The link is functional.</p> <p>Further review showed that the State had only direct purchases (no competitive tenders and therefore nothing published in that regard).</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		This is contrary to the requirements of the verification protocol, which requires all procurements of the State to be conducted through the e-procurement portal.		
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 2019 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?	Previously Achieved In 2019 APA		
2	Does the legislation include provisions that establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.	Previously Achieved In 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
4	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?	Previously Achieved In 2019 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?	<p>a) The state submitted quarterly State Domestic Debt Reports (SDDR) (final versions) to the DMO on an average of 2 months after the end of each quarter. Note that within 2 months means by the last day of the second month after the quarter ends</p> <p>We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> ● Q1 submitted on (5/5/2021) 35 days, ● Q2 submitted on (12/8/2021) 43 days, ● Q3 submitted on (9/11/2021) 40 days and ● Q4 submitted on (15/2/2021) 46 days. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
	<p style="text-align: center;">$\frac{35+43+40+46}{4}$ Average = 41 days (5.86 weeks)</p> <p>The SDDR were submitted within an average of Two (2) months).1.46 months</p>			
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO: The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state’s domestic debt figures.</p>	<p>a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were not obtained.</p> <p>b) IVA did not compare the State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data with the supporting documents (including the DMO templates and guidelines) by using the text below:</p> <p>We reviewed the DMO’s Report on State Domestic and External Debt Report (SDEDR) with the (Cross River State) State Debt Domestic Report along with all underlying data and both showed the same amount of ₦?? The report was supported with the DMO’s templates and guidelines.</p> <p>i) Mention in the text above if there were any differences noted during the above review.</p> <p>ii) Mention in the text below the result of the review using the DMO Templates and guidelines.</p> <p>We reviewed the DMO report and the DMO report confirmed the <u>accuracy</u> and <u>completeness</u> of the State Domestic Debt Report.</p> <p>State what actions have been taken as regards the identified errors or inconsistencies by using/editing the text below to reflect the steps that were taken:</p>	N/A	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the state’s submission to the DMO. 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 have 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) The discrepancies noted during the comparison are as follows:</p> <ul style="list-style-type: none"> i. SDDR Figure: ₦159,817,911,743.63 ii. AFS Figure: ₦251,050,605,036.76 iii. Difference (If any): ₦91,232,693,293.13 <p>f) IVA raised the APA issue requesting the state to provide detailed explanation that will clarify the identified differences. The State is yet to respond.</p> <p>j) 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>a) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published on the State official website.</p> <p>b) The date of publication is 20 December 2021.</p> <p>c) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published by 31 December 2021. IVA obtained evidence of timestamp (and screenshots taken from the IT back</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>end of the State's website showing date of online publication).</p> <p>d) The web link is https://www.crirs.ng/download/crs-dsa-dms-report-2021/?wpdmdl=5458&masterkey=61c0cda5d27e4</p>		
4	<p>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>	<p>Upon review of the SDSA -DMSR, it included the following:</p> <p>(1) Adequate presentation of medium-term budget forecasts, including:</p> <p>(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.</p> <p>(b) Description of assumptions underpinning the MTB forecasts from 2021 to 2024: either a table with assumptions OR corresponding explanations in writing (OR both)</p> <p>(c) A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout the period 2021-2024</p> <p>(d) 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 stock; contradictory or illogical statements or arguments, etc.)</p> <p>(2) A detailed and adequate description of the debt portfolio and borrowing options, including:</p> <p>(a) Presentation of debt and borrowing projections in the baseline scenario either using a table OR charts (OR both) with projected figures from 2021 to 2030.</p> <p>(b) Description of assumptions underpinning the borrowing options presented: either a table with assumptions OR corresponding explanations in writing (OR both)</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<ul style="list-style-type: none"> (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 or arguments, etc.) (3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year, which contains the following; <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 projections; contradictory or illogical statements or arguments, etc.) a) IVA reviewed and compared 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. b) There were no differences identified. 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		There were no differences between IVA's conclusion and that of the assessment report received from DMO		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	<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><u>Stretch Target:</u> More than 20 percent decline</p>		Not Achieved	
1	Has the State established an Arrears Clearance Framework (ACF)?	<p>a) The State has established an Arrears Clearance Framework (ACF).</p> <p>b) IVA obtained a copy of the ACF from the State.</p> <p>c) The establishment of the ACF occurred by 30 June 2021.</p> <p>d) The duration of time between the establishment of the ACF and the 31 December 2021 year-end was 12 months as ACF was established on ,31st December 2020</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		and 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.	<p>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled. This is contained on page 7 and 8; and 10 to 12 of the ACF respectively.</p> <p>b) The evidence seen when reviewing the ACF that shows the ACF contains the two stated requirements was the Planned Action to Settle Arrears and Prioritization. Other documents submitted by the State to confirm the ACF exists were Domestic Debt Report (SARVCR), Q4 DMO Debt Report. IVA reviewed and compared the documents to ensure consistency.</p>	Satisfactory	
3	Has the ACF been published on a State official website?	<p>a) IVA confirmed that the ACF has been published on a State official website.</p> <p>b) We have downloaded a copy of ACF for validation.</p> <p>c) The web link is: https://www.criis.ng/2020/12/31/crs-dmd-reports-on-sftas/ and the evidence obtained to confirm the date of publication screenshot from the backend of the State's website.</p>	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	<p>The clearance of domestic expenditure arrears is consistent with the ACF as the State has established ACF.</p> <p>IVA reviewed the State's ACF to understand the prioritization and clearance process. Then, confirmed the schedule of payment made to the contractors to ensure it is in accordance with the ACF. On page 10 of the ACF, criteria used in the prioritization of arrears were social-economy impact, age of debt, the cost, the risk and the value of arrears. IVA confirmed that the prioritization criteria set up in the ACF were observed in the settlement of arrears.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
5.	Has the State established an Internal Domestic Arrears Database?	<ul style="list-style-type: none"> a) The State has established an Internal Domestic Arrears Database b) The Internal Domestic Arrears Database includes the following: <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 were not included in the Internal Domestic Arrears Database as the State confirmed payment of salaries and staff claims were settled timely. d. The aggregate number of other types (Judgement Debt) of domestic arrears c) 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. f) 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 domestic arrears database for the FY 2020 and FY 2021 reported on a State official website, which constitutes the online publicly accessible arrears database?	<ul style="list-style-type: none"> a) The State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2020 and 2021. 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 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>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. There was no other valid claim to be added to the internal domestic arrears database.</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> <p>e) The result of the test of the facility for contractors with arrears (creditors) to report any omissions to the State was response from the Help Desk of the Debt Management Office on the message sent using the online portal. Screenshot of the result has been retained in the assessment file.</p> <p>f) The State did not present a record of omission as there were no such claims of omission reported by the contractors.</p> <p>g) IVA did not confirm that any omissions of contractor arrears that were found to be valid were subsequently included in the internal domestic arrears database. There was no record of omission presented by the State.</p> <p>h) The source of information i.e., the web link to the online publicly accessible arrears database inserted thus:</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>https://www.crires.ng/2020/12/31/crs-dmd-reports-on-sftas/</p> <p>IVA reviewed all documents (ACF, SARVCR, Debt Sustainability Report, Q4 SDDR, Internal Domestic Arrears Database and availability of online claims by the contractors) relating to state ability to reduce Debt Stock. IVA also compared the consistency of the relevant documents as mentioned earlier to ensure there was no gap between the documents and other source documents. It was discovered that the State has been able to reduce her Domestic Stock by 19% as at 31st December, 2021.</p>		
7.	<p>Does the online publication include?</p> <p>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.</p>	<p>The online publication includes the aggregate amount for the three types of arrears as shown. The State did not owe salaries and other staff claims. There was no missing item.</p> <p>The online publication contains the names of contractors owed ₦20m in arrears and above.</p>	Satisfactory	
8.	Has the State met the following?		Unsatisfactory	<ul style="list-style-type: none"> The State should ensure a reduction

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
<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 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.</p>	Aggregate Amount of:	2021 (₦)	2020 (₦)	Diff. (%)		<p>of domestic arrears debt stock to below ₦5 billion.</p> <ul style="list-style-type: none"> The State should ensure there is consistency in its records on arrears. 	
	Contractors Arrears	27,842,720,285.35	39,123,760,294.05				
	Pension and Gratuity arrears	14,830,428,768.37	13,671,462,665.66				
	Salary arrears and Staff claims	0.00	0.00				
	Judgement Debt	32,043,765.76	32,043,765.76				
	Other types of domestic expenditure arrears						
	Total Domestic Arrears	42,705,192,819.48	52,827,266,725.47	19%			
	<p>a. IVA obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database (Report), and confirmed it was the same as the balances stated within the SDDR Q4 2021.</p> $\frac{\text{₦}52,827,266,725.47 - \text{₦}42,705,192,819.48}{\text{₦}52,827,266,725.47} \times 100 = 19\%$ <p>The percentage decline is 19% Source: State internal domestic expenditure arrears database Report</p> <p>In furtherance to the above, based on further review, the IVA noted the following observations: The one-page SARVCR provided by the State holds that N13.795bn of contractor arrears was settled in 2021. The</p>						

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>evidence to show that the figure was examined in detail and confirmed as actual cash outflows and not write-offs or book adjustments is yet to be seen on file.</p> <p>Note that the Cashflow statement shows the following outflow that could conceivably have included the contract arrears settlements. 'Repayment of loans from other funds - N19.208bn'. A break down for this figure is provided as Note 24 and none of the items relate to contractor arrears.</p> <p>The only other likely outflows that could contain the settlement of arrears are those under the Capital Expenditures, for which the referred Note (Note 11) is missing from the AFS.</p> <p>The State will need to demonstrate with evidence that the arrears were genuinely settled.</p> <p>The State responded to IVA's observations as follows: "As evidence to show that the Contractors arrears were genuinely settled, Bank Statements, Payment Voucher and Payment Mandates attached for your consideration."</p> <p>The documents have been reviewed and found not to be adequate.</p> <p>The data for DLR 8 on arrears is not consistent with the data on arrears used for DLR 9 and presented in the Annex. According to DMO submission, the state did not provide any new evidence to justify a change in the reconciled data. Thus, when the DMO reconciled data is used, the total change in arrears in 2021 would be 0%, meaning the result is unsatisfactory.</p> <p>.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																						
DLI 9: Improved Debt Sustainability																										
DLR 9.0	<p>Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021</p> <p>AND</p> <p>Total debt stock at end of December 2021 as a share of total revenue for FY 2021 meets target:</p> <p>Basic target: < 120%</p> <p>Stretch target: < 95%</p>		Not Achieved																							
1	<p>Has the State met:</p> <p>(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)?</p> <p>-Basic target:< [120%]</p> <p>-Stretch target: < [95%]</p> <p>(ii) Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021.</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p>Total Public Debt*</p> <table border="1"> <thead> <tr> <th></th> <th>Financial Statements (₦)</th> <th>DMO/ SDEDR Figures (₦)</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>251,050,605,036.76</td> <td>172,144,050,496.71</td> </tr> <tr> <td>Total External Debts</td> <td>8,674,332,908.48</td> <td>115,517,964,686.57</td> </tr> <tr> <td>Total Public Debts</td> <td>259,724,937,945.24</td> <td>287,662,015,183.28</td> </tr> </tbody> </table> <p>Note: The Total Public Debt is NGN 366,568,569,723.33 i.e addition of external debt from Fed DMO (NGN 115,517,964,686.57) and Domestic debt from AFS (NGN 251,050,605,036.76)</p> <p>Total Annual Revenue</p> <table border="1"> <tbody> <tr> <td>2021 Adjusted IGR (see DLI 4.2)</td> <td>22,912,281,172</td> </tr> <tr> <td>Gross FAAC Allocation**</td> <td>60,929,236,289</td> </tr> <tr> <td>Grants</td> <td>nil</td> </tr> <tr> <td>Other Revenues</td> <td>nil</td> </tr> <tr> <td>Total Revenue</td> <td>83,841,517,461</td> </tr> </tbody> </table>		Financial Statements (₦)	DMO/ SDEDR Figures (₦)	Total Domestic Debts	251,050,605,036.76	172,144,050,496.71	Total External Debts	8,674,332,908.48	115,517,964,686.57	Total Public Debts	259,724,937,945.24	287,662,015,183.28	2021 Adjusted IGR (see DLI 4.2)	22,912,281,172	Gross FAAC Allocation**	60,929,236,289	Grants	nil	Other Revenues	nil	Total Revenue	83,841,517,461	Unsatisfactory	The State should reduce its debt to revenue ratio and ensure debt is sustainable. As a general guide, debt should not be more than 95% of Revenues and should ideally be much less.
	Financial Statements (₦)	DMO/ SDEDR Figures (₦)																								
Total Domestic Debts	251,050,605,036.76	172,144,050,496.71																								
Total External Debts	8,674,332,908.48	115,517,964,686.57																								
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Other Revenues	nil																									
Total Revenue	83,841,517,461																									

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>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.</p> <p>We have computed the total debts stock / Revenue percentage for the 2021 year, as follows:</p> <p>DMO DEBT COMPUTATION</p> $\frac{\text{₦}287,662,015,183.28 \times 100}{\text{₦}83,841,517,461} = 343.10\%$ <p>AFS DEBT COMPUTATION</p> $\frac{\text{₦}259,724,937,945.24 \times 100}{\text{₦}83,841,517,461} = 309.78\%$ <p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:</p> $\frac{\text{₦}19,454,466,453 \times 100}{\text{₦}60,929,236,289} = 31.9\%$ <p>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.</p> <p>Sources:</p> <ul style="list-style-type: none"> i. For Total Revenue 2021 Audited Financial Statement, Page 51 ii. For Total Public Debt from DMO* as at December 31, 2021 iii. NBS/OAGF (FAAC) <p>*Table 3(i) below holds a breakdown of the Total Debt.</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	** Refer to the FAAC table on DLI 9 provided.		

TABLE 3(i): DLI 9 31 DECEMBER 2021 STATE DEBT STOCK TABLES FOR CROSS RIVER STATE AFS figures

S/N	CROSS RIVER STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	21,943,540,631.39
2	BAIL OUT (SALARIES) (SOURCE CBN)	7,567,273,501.35
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	30,371,920,864.96
4	EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,655,435,768.35
5	STATE BONDS	962,032,668.89
6	COMMERCIAL BANK LOANS	676,265,414.79
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	819,818,208.65
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	-
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	-
11	HEALTHCARE DEDUCTIONS	-
12	BRIDGE FINANCE FACILITY	3,053,241,757.40
13	FAMILY HOMES FUND	-
14	ANCHOR BORROWERS PROGRAMME	1,353,297,345.95
15	OTHER FGN INTERVENTIONS	-
16	MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF)	1,464,074,021.85

S/N	CROSS RIVER STATE	2021 - AMOUNT (₦)
17	JUDGEMENT DEBTS	32,043,765.76
18	GOVT - GOVT DEBTS	22,341,666,666.67
19	CONTRACTORS' ARREARS	39,123,760,294.05
20	PENSION AND GRATUITY ARREARS	13,671,462,665.66
21	SALARY ARREARS AND OTHER CLAIMS	-
22	OTHER DEBTS	19,108,216,920.99
	TOTAL DOMESTIC DEBT (TDD)	172,144,050,496.71
	TOTAL EXTERNAL DEBT (TED)	115,517,964,686.57
	TOTAL PUBLIC DEBT (TED+TDD)	287,662,015,183.28

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

TEMPLATE: OPTION A	₦
Item	2021
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	60,929,236,289
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	41,060,735,463
1.1.1 Gross statutory allocation	35,500,331,837
1.1.2 Derivation	
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	5,560,403,626
1.2 VAT	19,868,500,826
2. Internally Generated Revenues (IGR) - Adjusted	22,912,281,172
3. Grants (internal and external)	
4A. Other revenues (4.1 + 4.2 + 4.3)	-
4.1 Investment Income (e.g. dividends)	
4.2 Interest Earned	
4.3 Miscellaneous	
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	83,841,517,461

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 6.2 - We want to draw your attention to the fact that, though, we had some technical hitches after IVA assessment, and this had since been rectified. However,</p> <ul style="list-style-type: none"> • We confirmed that all the modules -e-procurement plan, e-registration /publication/notification-tendering and e-evaluation/e-award are functional properly and IVA can testify to this during their visit to the state. • Each module is linked to another and has several interlinked steps with a terminal outcome. These modules were satisfactorily tested and are functional and accessible to the public. • This could be confirmed from the state's web page. https://eprocurement.dppib-crsgov.com/ • On OCDS, the Portals were designed to publish all and or custom select year of contracts. We purposely selected 2021 year of contract awarded for IVA as requested by the verification protocol for their easiest assessment. • If you want to view all contracts awarded including 2022 you can visit the state's web page https://ocds.dppib-crsgov.com/ • Please revisit our Portals via the state web page above and you will see that all Contracts are published accordingly of which, year 2022 is included • 404 error message can occur when a person just typed in the URL incorrectly or the system has cached an error 404 page. We urge you to revisit the page for your assessment. <p>However, we humbly request for a re-evaluation of DLR 6.2 as we anticipate the status to change to Achieved.</p>	<p>IVA Notes the State's response.</p>
2	<p>DLI 8 – Evidence is attached to show that the Contractors arrears were genuinely settled, Bank Statements, Payment Voucher and Payment Mandates attached for your consideration.</p>	<p>IVA Notes the State's response.</p> <p>However, the records are not consistent with the State's records with the Federal DMO. The State should ensure the arrears records are properly maintained and updated with the Federal DMO.</p>

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