



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

2021 Annual Performance Assessment (APA) Report

EKITI 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 Ekiti 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 Ekiti State and shows areas where the State was able to achieve results. In total, Ekiti State achieved 14 (Fourteen) 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%		
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2022 budget and citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms.		
	DLR 2.2: Citizen's Accountability Reports based on audited financial statements /reports are summarized and comprehensible versions of the audited statements and details of State government public consultations with citizens presenting the annual financial statements should be made available on the state official website (s) by 30th September of each subsequent financial year.		
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 80 percent of state government finances.		
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	2019	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	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 Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 95 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		
	DLR 5.2: Link BVN data to at least 95 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency; and 3) Cover all MDAs receiving funds from the state budget	2019	
	6.2 No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs AND For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available		
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.		

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<p>DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears</p>	<p>DLR 8: 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>Basic target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch target: More than 20 percent decline</p>	<p>Basic Target Met</p>	
<p>DLI 9: Improved debt sustainability</p>	<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 FY2021 meets target: Basic target: < 120%, Stretch target: < 95%.</p>		<p>Total Debt Stock to Revenue was 194.39% by end December 2021</p>

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 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 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 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 (11/07/2022 and 15/07/2022) with a team of 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://ekitistate.gov.ng/wp-content/uploads/2021/2021_q1.pdf</p> <p>Q2- 2021 https://ekitistate.gov.ng/wp-content/uploads/2021/2021Q2.pdf</p> <p>Q3- 2021 https://ekitistate.gov.ng/wp-content/uploads/2021/2021_q3.pdf</p> <p>Q4- 2021 https://ekitistate.gov.ng/wp-content/uploads/2022/2021_q4.pdf</p> <p>The State’s website was accessed on (12/07/2022).</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Dates of online publication are as follows:</p> <ul style="list-style-type: none"> ● Q1 – (28/04/2021) - 4 weeks (28 days) ● Q2 – (27/07/2021) - 3.86 weeks (27 days) ● Q3 – (28/10/2021) - 4 weeks (28 days) ● Q4 – (28/01/2022) - 4 weeks (28 days) <p>Average days (weeks) for the online publication was computed based on the last 4 quarters, as below:</p> $\frac{28+27+28+28}{4}$ <p>Average = 27.75 days (3.96 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	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	<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> <ol style="list-style-type: none"> a) Budget Implementation Reports include the approved budget appropriation for the year against each organizational units (MDAs) for each of the core economic classification of expenditures. b) Budget Implementation Reports include the actual expenditures for the quarter attributed to each MDA as well as the cumulative expenditures for year to date, c) Budget Implementation Reports include the balances against each of the revenue and expenditure appropriations. d) The State has a revised budget. 	Satisfactory	

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

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
DLR 1.2	FY [2021] deviation from total approved budget expenditure is less than 15%		Achieved													
1	<p>Has the State computed the difference between the Original/Approved total budgeted expenditure for the fiscal/calendar year 2021 and the actual total expenditure in the fiscal/calendar year 2021, divided by the Original approved total budgeted expenditure and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 15%</p>	<p>The State computed the budget deviation for 2021 to be 4.77%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Approved Budget (₱)</th> <th>Actual Outturn (₱)</th> </tr> </thead> <tbody> <tr> <td>Capital Exp. (AFS Page 35 and Approved Budget Page 2)</td> <td>51,663,186,739.99</td> <td>38,825,868,481.00</td> </tr> <tr> <td>Rec. Exp. (AFS Page 34 and Approved Budget Page 2)</td> <td>58,003,189,982.68</td> <td>65,609,494,974.00</td> </tr> <tr> <td>Total</td> <td>109,666,376,722.67</td> <td>104,435,363,457.00</td> </tr> </tbody> </table> $\frac{\text{₱}109,666,376,722.67 - \text{₱}104,435,363,457.00}{\text{₱}109,666,376,722.67} \times 100 = 4.77\%$ <p>The budget performance deviation is 4.77%</p> <p>Source: 2021 Audited Financial Statement Pages 34 & 35, and Approved Budget FY 2021 Page 2.</p>		Total Approved Budget (₱)	Actual Outturn (₱)	Capital Exp. (AFS Page 35 and Approved Budget Page 2)	51,663,186,739.99	38,825,868,481.00	Rec. Exp. (AFS Page 34 and Approved Budget Page 2)	58,003,189,982.68	65,609,494,974.00	Total	109,666,376,722.67	104,435,363,457.00	Satisfactory	
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DLI 2: Increased Openness and Citizens' Engagement																

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
in the Budget Process				
DLR 2.1	<p>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget</p> <p>AND</p> <p>Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms</p>		Achieved	
1	<p>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>	<p>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</p> <p>a) Some of the LGAs in attendance include:</p> <ul style="list-style-type: none"> i. Ado ii. Ikole iii. Oye <p>b) The CBOs and CSOs representatives in attendance include:</p> <ul style="list-style-type: none"> i. Joint National Association of Person with Disability (JNAPD) ii. The New Generation Girls and Women Development Initiative iii. Gender Relevance initiative Promotion (GRIP) <p>c) The IVA obtained soft and hard copies of the minutes of the consultation, jointly signed by CSOs as well as attendance record duly signed by attendees.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) The state held 3 public consultations on the 2022 budget at Oye-Ekiti, ise-Ekiti and Ado-Ekiti, held on Monday 11th, October 2021 respectively.</p> <p>e) The IVA contacted a random sample of 10 attendees via phone call from the attendance record provided to confirm their attendance</p> <p>f) The proposed Budget 2022 was drafted on Thursday 28th, October 2021. The IVA obtained a copy of the budget speech by the State Governor to the State House of Assembly as evidence.</p> <p>g) The public consultation on the 2022 Budget was held on Monday 11th, October 2021 while the proposed 2022 Budget was drafted on 28th, October 2021. The public consultation was held before the proposed budget was drafted.</p> <p>h) The proposed annual budget 2022 was published on the state website on December 31, 2021</p> <p>i) The proposed Annual budget 2022 was published before the 31 January 2022 deadline.</p> <p>j) https://ekitistate.gov.ng/wp-content/uploads/2021/2022DraftBudget.pdf This was accessed on (12/7/2022).</p>		
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before	<p>a) Olajide Fimso (JNAPD) co-signed the minutes of the consultative forum. The IVA downloaded the soft copy of the minutes and retained the copy on file.</p> <p>b) The Title of the minutes of the public consultation is "Report of the Citizens Engagement on the Proposed 2022 Budget"</p> <p>c) The signatories belong to the following organizations: i. Joint National Association of Person with Disability (JNAPD) ii. Live and peace Development organization (LAPDO)</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	31 January 2022 to enable citizens to find the inputs easily?	<p>iii. Gender Relevance initiative Promotion (GRIP)</p> <p>d) https://ekitistate.gov.ng/wp-content/uploads/2021/2021_citizen_engagement.pdf The Minutes was published on (30/12/2021). This was accessed on (12/7/2022).</p> <p>e) The IVA perused through the State website and confirmed that the minutes of the public consultation was easy to find and clearly signposted on the Ekiti State homepage</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 (27/2/2021) before the due date via https://ekitistate.gov.ng/wp-content/uploads/2021/2021citizenbudget.pdf accessed on (13/7/2022).</p> <p>b) The IVA compared the Citizens Budget with the Approved budget 2021. The IVA did not identify any significant areas of discrepancies.</p> <p>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</p> <p>The State's Citizens budget contained the following information:</p> <ul style="list-style-type: none"> i. Simple explanation of the annual budget/citizens' budget. Page 1 ii. The sources of revenues. Page 5 iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. Page 10 iv. Total expenditure by economic classifications. Page 3 v. The total revenue and grants, total expenditures, budget deficit, budget financing and financing gap. Pages 2-9 vi. Disclosure of Budget deficit (if any) and how it will be financed. Page 5 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> vii. Sectoral Allocation (by MDAs). Page 14 viii. Top Projects to be financed (at least 5). Pages 15 &16 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?	<ul style="list-style-type: none"> a) The Citizens Budget included an explanation of the key components /information in the Approved FY21 Budget. <p>We confirmed that the approved FY21 State budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.</p>	Satisfactory	
5	Does the State website have functional feedback and response online mechanisms?	<ul style="list-style-type: none"> a) The State has established a functional feedback and response online mechanism on its website. b) The kind of feedback mechanism established on the State website is an online feedback submission form. See link to website https://www.ekitistate.gov.ng/contact-us/ c) The State's feedback mechanism provides at a minimum: <ul style="list-style-type: none"> i. Acknowledgement of receipt of comments/feedbacks from citizens ii. State's responses to comments/feedback iii. Display of timeframe and the State's 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 2020 Approved Budget. A response from an official email (sgbelee@ekitistate.gov.ng) was received by the IVA 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>detailing where to obtain the Approved Budget. Screenshots were obtained to support its findings.</p> <p>e) The demonstration was conducted by the state’s ICT unit in the state to demonstrate how the state responds to feedback submitted online.</p> <p>The result of the demonstration and the result of the functionality test is as follows:</p> <ul style="list-style-type: none"> i. After the submission of the online feedback form, ii. An acknowledgement message stating the receipt of the inquiry was displayed on the screen (Screenshot of the acknowledgement message was retained). iii. A response from an official email (sgbelee@ekitistate.gov.ng) was received <p>f) From the functionality test conducted above, Ekiti State’s feedback mechanism is functional. All forms of evidence were obtained and retained.</p> <p>https://www.ekitistate.gov.ng/contact-us/</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?	<ul style="list-style-type: none"> a) The IVA has downloaded the Citizens Accountability Report FY2020 and retained a copy on file. b) The IVA has conducted a review of the downloaded Citizens Accountability Report c) The Citizens Accountability Report was posted on 29th September 2021, before the 30th September 2021 deadline. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>A copy of the Citizens Accountability Report has been retained on file</p> <p>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</p> <p>e) The IVA has obtained and reviewed the evidence of public consultation with citizens to explain the FY 2020 financial statement.</p>		
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?	<p>a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published before the due date (30/9/2021) on (29/9/2021) via https://www.ekitistate.gov.ng/wp-content/uploads/2020-Ekiti-State-Citizens-Accountability-Report-EK-.pdf and accessed by IVA on (13/7/2022).</p> <p>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.</p> <p>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</p> <p>The State's Citizens Accountability Report contained the following information:</p> <ul style="list-style-type: none"> i. Simple explanation of the annual Citizens Accountability Report and the Executive Summary. Pages 3 & 4 ii. The Budget Outturn. Pages 5 & 6 iii. The Revenue Outturn. Pages 9 & 10 iii. The Expenditure Outturn. Pages 12 & 13 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> iv. The Audit Findings. Pages 15 & 16 v. The Audited Financial Statements. Page 17 vi. Top Sectoral Allocations. Page 21 vii. Top Value Capital Projects. Page 27 viii. Citizens-Nominated Projects- Implementation Status Report. Pages 29 & 30 ix. Public consultations with Citizens presenting the Annual Financial Statements. Page 32 <p>d) The Citizen’s Accountability Report contained the minimum required citizens accountability report information as shown above as in the Citizen accountability report User Manual and Excel Template.</p> <p>e) There were no areas of discrepancies.</p>		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	<ul style="list-style-type: none"> 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 consultations was held on 29 September 2021 at AB Hall Ado Ekiti to present the 2020 Financial Statements. The IVA reviewed the attendance record of the public consultation duly signed by attendees as well as minutes of the public consultation. <p>We confirmed that the FY20 Annual Audit Report or 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</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		deadline and presented at a public consultation held on 29th September 2021.		
<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		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 one account that covers the following:</p> <ul style="list-style-type: none"> ● IGR Main Account: ● FAAC Account: ● VAT Account: <p>The Account Name: EKSG TSA SWEEPING The Bank Name: ACCESS BANK The Bank Account Number: 0795210033.</p>	Satisfactory	
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	<p>The State has a Cash Management Strategy</p> <p>a) The Document's name is Ekiti State Government Cash Management Framework.</p> <p>b) The document was produced in August 2019 and signed by the Honorable Commissioner for Finance and The Accountant General of the State.</p> <p>c) The Clause Number and Page where it showed that it covered the processes mentioned in Chapter 4 Section 4.1.1 - 4.1.7, Page 30 - 32 (Instrument for Cash Management).</p> <p>d) The State conducts these sweeps daily and its policy on sweeping of balances from other collecting banks is that "at the end of each working day the balance in each spending unit</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	reliable information on the availability of funds.	<p>account is swept into the main TSA Account. (Chapter 2.2.6 (ii) Page 19).</p> <p>e) the strategy includes the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds (Instrument for Cash Management: Chapter 4, Section 4.1.1 - 4.1.7, Page 30 - 32; Implementation of TSA in Ekiti: Chapter 4, Section 4.2.2, page 35)</p>		
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 name of the computer application is Bank Accounts Monitoring System (BAMS), produced by Upper links Limited</p> <p>b) The IVA confirmed that the application is inline with the approved cash management strategy</p> <p>c) It was deployed in March 2019.</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 IVA team visited 3 MDAs, the Ministry of Health, Education and Works of the State, interviews were done with the relevant government officials in the MDAs visited, the checks conducted at 3 MDAs confirmed that the State has a functional TSA.</p> <p>b) The Account Name: EKSG TSA SWEEPING The Bank Name: ACCESS BANK, The Bank Account Number: 0795210033.</p> <p>c) The IVA confirmed that all Government monies go through this account.</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	
5	Does the TSA cover a minimum of 80% of the	The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations																								
	<p>State Government's finances?</p> <p>outflows as contained in the Cash flow Statement for the year ended 2021.</p> <p>See the computation below:</p> <table border="1" data-bbox="709 367 1421 643"> <thead> <tr> <th></th> <th>Total Inflows (₦)</th> <th>Total Outflows (₦)</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>90,235,283,898.46</td> <td>89,979,664,988.61</td> </tr> <tr> <td>Government Finances*</td> <td>96,004,717,159</td> <td>104,435,363,457</td> </tr> <tr> <td>Percentage</td> <td>94%</td> <td>86%</td> </tr> </tbody> </table> <p>The average is percentage computation is:</p> $\frac{94\% + 86\%}{2} = 90\%$ <p>The TSA covered 90 % of the State's finances.</p> <p>*Sources: 2021 Audited Financial Statement (Cash flow Statement) Pages 34 and the TSA Statement from (Access Bank Plc.) for (state the 1/1/2021 to 31/12/2021).</p> <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.</p> <p>Balance as per TSA statement:</p> <table border="1" data-bbox="693 1240 1463 1370"> <thead> <tr> <th></th> <th>Inflows (₦)</th> <th>Outflows (₦)</th> </tr> </thead> <tbody> <tr> <td>Bal. Before Adjusts</td> <td>90,235,283,898.46</td> <td>89,979,664,988.61</td> </tr> <tr> <td>Less Reversals</td> <td>4,016,242,657.18</td> <td>4,016,242,657.18</td> </tr> <tr> <td>Net TSA Balance</td> <td>86,219,041,241.28</td> <td>85,963,422,331.43</td> </tr> </tbody> </table> <p>See the computation after removal of Reversals below:</p>		Total Inflows (₦)	Total Outflows (₦)	TSA Bank Statement	90,235,283,898.46	89,979,664,988.61	Government Finances*	96,004,717,159	104,435,363,457	Percentage	94%	86%		Inflows (₦)	Outflows (₦)	Bal. Before Adjusts	90,235,283,898.46	89,979,664,988.61	Less Reversals	4,016,242,657.18	4,016,242,657.18	Net TSA Balance	86,219,041,241.28	85,963,422,331.43		
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		3. The major multilateral loan for the year was also run through the TSA bank to further reduce the flows outside the TSA."		
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		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?	This has been previously achieved by the State		
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	This has been previously achieved by the State		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	responsible for State revenue (tax and non-tax) collection and accounting in the State?			
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 reporting and accounting for the revenues?	This has been previously achieved by the State		
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 has been previously achieved by the State.		
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	This has been previously achieved by the State		
DLR 4.2	Annual nominal IGR growth rate meets target		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																																												
			(Basic Target Met)																																													
1	<p>Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: 20% - 39%</p> <p>Stretch Target: 40%</p>	<p>a. The basis of Accounting adopted by the state for the 2020 and 2021 Audited Financial Statement is the IPSAS Accrual basis of accounting.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1"> <thead> <tr> <th>REPORTING TEMPLATE: OPTION A</th> <th>₱</th> <th>₱</th> <th>% GRO WTH</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>10,909,301,881.00</td> <td>17,567,780,130.00</td> <td>61%</td> </tr> <tr> <td>VALID IGR items to be counted as IGR</td> <td>10,592,914,027</td> <td>13,620,417,628.00</td> <td></td> </tr> <tr> <td>Tax Revenue</td> <td>6,596,044,780.80</td> <td>7,288,993,720.00</td> <td></td> </tr> <tr> <td>Personal income tax (PAYE)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Licenses</td> <td>102,547,163.03</td> <td>288,791,000.00</td> <td></td> </tr> <tr> <td>Levies</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Fees</td> <td>2,226,178,582.86</td> <td>3,512,908,414.00</td> <td></td> </tr> <tr> <td>Fines</td> <td>324,023,912.06</td> <td>806,950,810.00</td> <td></td> </tr> <tr> <td>Other Revenue - Rent Income</td> <td>35,360,081.50</td> <td>70,000,000.00</td> <td></td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION A	₱	₱	% GRO WTH	Item	2020	2021		Memo: Reported IGR in AFS (Before Adjustments)	10,909,301,881.00	17,567,780,130.00	61%	VALID IGR items to be counted as IGR	10,592,914,027	13,620,417,628.00		Tax Revenue	6,596,044,780.80	7,288,993,720.00		Personal income tax (PAYE)				Licenses	102,547,163.03	288,791,000.00		Levies				Fees	2,226,178,582.86	3,512,908,414.00		Fines	324,023,912.06	806,950,810.00		Other Revenue - Rent Income	35,360,081.50	70,000,000.00		Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		Sales of goods and services					
		Earnings (Excluding interest or investment income)	1,080,684,082.25	1,143,406,612.00			
		Rent of govt. property/building	112,000.00	2,199,180.00			
		<i>Rent on Lands & Other General</i>	18,206,107.25	117,013,811.00			
		"Adjusted IGR" for DLI 4.2 Calculation					
		Sum of all VALID items of IGR if AFS has that detail	10,592,914,026.55	13,690,417,628.00	29%		
		$\frac{\text{₦}13,690,417,628.00 - \text{₦}10,592,914,026.55}{\text{₦}10,592,914,026.55} \times 100 = 29\%$ <p>The annual nominal growth was 29%</p> <p>Source: Year 2021 Audited Financial Statement Page 34 (Cash Flow Statement).</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					Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations				
	identified ghost workers taken off the payroll							
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?	<p>The IVA confirmed that the State commenced the Biometric data capture of the Civil Servants and Pensioners in April 2012. The State has completed the Biometric data capture of Civil Servants and Pensioners</p> <p>a) The IVA confirmed that the process of biometric capturing was outsourced to "Soft Alliance and Resource Limited" from 2012 till July 2015 when its operation was handed over to the Accountant-General's Office.</p> <p>b) The total number of Civil Servants is 19,273.</p> <p>c) The total number of Pensioners is 8,539.</p> <p>d) The total number of Civil Servants and Pensioners on the State Nominal roll and Payroll 27,812.</p> <p>e) The total number of Civil Servants and Pensioners on the Nominal roll and payroll changed by 0.28% and 0.28% in comparison with the previous year. Thus, the State would not need to provide satisfactory explanations and evidence for such changes, since the change is not up to 10%.</p> <p>Percentage change in Nominal roll</p> <table border="1"> <tr> <td>Total No. of Civil Servants and Pensioners 2020</td> <td>27,891</td> </tr> <tr> <td>Total No. of Civil Servants and Pensioners 2021</td> <td>27,812</td> </tr> </table> $\frac{27,891 - 27,812}{27,891} \times 100 = 0.28\%$ <p>Percentage change in Payroll</p>	Total No. of Civil Servants and Pensioners 2020	27,891	Total No. of Civil Servants and Pensioners 2021	27,812	Satisfactory	
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Total No. of Civil Servants and Pensioners 2020	27,891							
Total No. of Civil Servants and Pensioners 2021	27,812							
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<p>a) The State commenced the linkage of the biometric data to the payroll in 2012 and finished the linkage in 2015.</p> <p>b) 27,711 biometrics data have been linked to the payroll (i.e. 19,273 Civil Servants + 8,438 Pensioners).</p> <p>c) There were no ghost workers detected during the biometric validation exercise.</p> <p>d) There were no savings from ghost workers as there were no ghost workers detected</p> <p>e) There are procedures in place for ensuring timely updates to the payroll to reflect leavers, retirees, and deaths. See Office</p>	Satisfactory					

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>of the Accountant General Reports for 2020 of Ghost Workers/Pensioners and Payroll/Pension Fraud Identified and Financial savings. (Page 1).</p> <p>f) The procedures in place for ensuring timely updates to payroll as elaborated in the State's report is "Monthly updates, changes or corrections on the biometric payroll are always initiated by the various Ministries, Departments and Agencies. These must be approved by the Accounting Officers and audited by the internal auditors of the MDAs. The Ministries are expected to submit a copy of certificate of assurance as evidence that the payroll had been checked and is free of error or fraud.</p> <p>g) There were changes to the civil servant and pensioner payrolls during the fiscal year as a result of retirement and employment.</p> <p>h) These changes occur automatically as retirees are migrated to the pensioner's payroll system.</p> <p>i) The procedures in place to identify and remove ghost workers are stated in the State's "Report for 2021 Ghost workers/Pensioners and Payroll/Pension fraud identified" (page 1). The procedure requires that any employee requesting for biometrics capture must be physically present after his office must have sent the request for approval along with the appointment letter to the employee's Accounting Officer. The instruction requesting for the capture would be signed by the Accounting officer of the affected officer's organization before biometric capture is done. These controls have ensured that ghost workers are not incorporated into the system.</p>		
3	Has the State removed confirmed ghost workers and ghost pensioners within	a) There were no ghost workers detected during the period under review. However, retirees are automatically migrated	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	three (3) months of each case being confirmed?	<p>to the pensioner's payroll once they attain their retirement age or statutory service years.</p> <p>b) There were no ghost workers identified in the period under review, therefore, no records were kept for ghost workers during the assessment year.</p> <p>c) No ghost workers were removed from the payroll as none was identified in the period under review.</p> <p>d) There were no ghost workers identified in the period under review. Therefore, no amount could be stated.</p> <p>e) There were no ghost workers identified in the period under review, therefore, no amount could be stated.</p> <p>f) The sources of this information were: (i) Office of the Accountant General's Progress Report on Ekiti State Biometric Payroll System; (ii) Report for 2021 of ghost workers/pensioners and payroll/pension fraud identified and financial savings.</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 IVA confirmed that the State commenced the BVN data capture of the Civil Servants and Pensioners in 2019. The State confirmed that the BVN capture process is still ongoing</p> <p>a) The BVN capture process was outsourced to a payroll consultant, "Soft Alliance and Resource Limited".</p> <p>b) The total number of Ekiti State's Civil Servants and pensioners on payroll is 27,711 (19,273 Civil Servants and 8,438 Pensioners)</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>c) The total population on Ekiti State's nominal roll is 27,812 (19,273 Civil Servants and 8,539 Pensioners)</p> <p>d) The total payroll population with BVN data is 26,502</p> <p>e) The documents obtained for the conclusion was, the Accountant General's Progress Report on Ekiti State Biometric Payroll System. Page 1-2.</p> $\frac{26,502 \times 100}{27,711} = 95.6\%$ <p>The State has linked 95.6 % of the State's Civil Servants and Pensioners' BVN data to the payroll.</p>		
2	Has the State taken steps to identify payroll fraud?	<p>a) The total number of Staff with BVN data is 26,502 and without BVN data is 1,310.</p> <p>b) There were no payroll fraud detected during the period under review. Therefore, no record was kept.</p> <p>c) There was no payroll fraud identified in the period under review.</p> <p>d) There was no payroll fraud identified in the period under review. Therefore, the total payments cannot be stated.</p> <p>e) There was no payroll fraud identified in the period under review. Therefore, the total payments cannot be stated.</p> <p>f) The sources of this information were: (i) the Office of the Accountant General's Progress Report on Ekiti State Biometric Payroll System. (ii) Report For 2021 Of Ghost Workers/Pensioners and payroll/ Pension Fraud Identified and Financial Savings.</p>	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 State legislature to have a legal basis, either as a law or a resolution?	Previously achieved in 2019 APA		
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)	Previously achieved in 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	cover all MDAs receiving funds from the State budget.			
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	<p>No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs</p> <p>AND</p> <p>For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on</p>		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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 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 of ₦250,375,681.61. (Two Hundred and Fifty Million, Three Hundred and Seventy-Five Thousand, Six Hundred and Eighty-One Naira and Sixty- One Kobo). i.e :</p> <p>Total Sum of Contract awarded in 2021 of ₦34,925,485,149.61 Less Capital Expenditure Figure in the AFS of ₦34,675,109,468.00</p> <p>An APA issue was raised to this effect and the State responded thus: .</p> <p>I wish to humbly state that the sum of Thirty Four Billion, Six Hundred and Seventy-Five Million, One Hundred and Nine Thousand, Four Hundred and Eight Naira, Twenty Eight Kobo (₦34,675,109468.28) only was incurred on Capital Expenditure in the fiscal year 2021.</p> <p>2. The sum of ₦30,904,779,344.70 out of total payments ₦34,675,109,468.28 related to Contract Payments.</p> <p>3. Moreover, the sum of ₦15,266,455,915.73 was paid in respect of contracts awarded in 2021 while the sum of</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>₦15,638,323,428.97 related to the contracts prior to 2021. The amount spent on non-contract payments in 2021 was ₦3,770,330,123.50, all amounting to ₦30,904,779,344.70.</p> <p>4. The payments for 2021 as presented in the AFS only speak to all the capital expenditure payments made within the fiscal year. The payments in 2021 cover some of the capital expenses incurred in the previous year and the year 2021. Some of the contracts awarded in 2021 were expected to be paid in 2022 fiscal year. This explains the disparity of the sum of ₦250,375,681.00 between the total sum of ₦34,925,485,149.61 being the contracts awarded in 2021 and the actual Capital Expenditure of sum of ₦34,675,109,468.28 in the AFS.</p> <p>c) IVA confirmed the State published the information on all contracts awarded for the year under assessment above the threshold online (The state publishes all its contract information)</p> <p>d) The list of contracts published online is complete based on a review against the schedule of all contracts provided.</p> <p>e) IVA confirmed the data published by the state is in line with the Open Contracting Data Standards (OCDS)</p> <p>f) The IVA visited the state Public Procurement Agency with the schedule of contracts provided by the state, selected samples of the contracts from the Ministry of Health, Education, Works and Agriculture were validated by asking the state to take us through the life cycles of the various procurements and the IVA found the process adequate.</p> <p>g) The state has published minimum contract award information :</p> <p>(i) Project name,</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> (ii) Awarding institution, (iii) Award date, (iv) Name of contractor, and (v) The contract amounts <p>h) State the items from (f) above that were not published : N/A.</p> <p>i) The weblink is https://ocds.bpp.ekitistate.gov.ng/Home/Procurements</p> <p>j) The contract award information published on the state e-procurement platform 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) IVA confirmed that the State has implemented e-procurement in at least four (4) MDAs (Ministry of Education, Science & Technology, Ministry of Health and Human Services, Ministry of Works and Transportation and Ministry of Agriculture and Food Security) by 30 June 2022. b) IVA obtained the report on all transactions for the four MDAs during the period 1 January 2021 to 30 June 2022 directly from the e-procurement system. c) IVA has 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 27th November, 2021 and IVA obtained the evidence to prove the go-live date for each of the five expected minimum functionalities e) For all four MDAs after go-live, IVA carried out a comparison with the system generated report was and confirmed that transactions after go-live are not in Accountant General's report for the period 1 January 2022 to 30 June 2022 to confirm if they were conducted through the e-procurement system this is because the Accountant General's report contains list of contracts whose payments have been made. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>However, IVA confirmed these contracts were carried out through e-procurement.</p> <p>f) Various transactions at random for each of the 4 MDAs were selected and a walkthrough test of the procurement lifecycle was conducted that included 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) State if parts of the transaction were conducted outside of the e-procurement system.</p> <p>i) IVA confirmed that the e-Registration, e-Publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules have been implemented and had transactions processed through them for the period under review.</p> <p>However, the link for 'Prior Information Notices' on the e-procurement portal had two notices, both which were by the Federal Govt. No notices from the State were seen and no 'Current Processes' were seen on the procurement portal. The link to current processes yielded a blank page.</p> <p>The State is required to clarify the above observations.</p> <p>The State responded that “the 2 contracts that were seen on the "Prior Information Notice" section of our portal was a system error. The e-publishing/e-notification is sent to vendors that are registered on our portal and it's seen in the attachment I sent above from the portal. That is the space to check whether the contract was published.</p> <p>Also on the "Current Processes" the space is empty because we do not have any on-going process on the portal”.</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Evidence of the screenshot of the copy of notice usually published for contracts which is sent to the mail of the vendors that falls within that category of project directly, is uploaded in the assessment file.</p> <p>The State is to also note that all procurement opportunities are to be published on the portal and visible by the public (not only registered contractors).</p> <p>The State responded that "" ALL procurement opportunities are published and visible to the public on the "Annual Procurement and Disposal Plan" page of the portal. Furthermore, When a procurement process is created on the portal, the visibility depends on the method of procurement. For example if we are using Direct Procurement method or any type of Restricted Bidding in line with the Ekiti State Public Procurement Law S40 (1 -4), only the concerned vendor (registered vendors on the System) will receive the information by way of "Direct Invitation" about the procurement process and documents but the procurement plan has been made public through the Annual Procurement and Disposal Plan page. It should also be noted that if the Procurement is not published,</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>there is NO way to "create Process" on the portal and even conduct the transactions."</p> <p>j) IVA confirmed the State had processed all its procurement transactions at the 4 MDAs through the five minimum required modules after go-live for the period under review.</p> <p>k) The evidence obtained for the selected sample transactions were screenshots from the Public Procurement Agency e-procurement portal and contract award reports generated from the platform.</p>		
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	This was previously achieved in 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic Public Financial Management Law?			
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.	This was previously achieved in 2019 APA		
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 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		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021			
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) 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 11th May, 2021 - 41 days after the quarter end, ● Q2 submitted on 13th August, 2021 - 44 days after the quarter end, ● Q3 submitted on 15th November, 2021, - 46 days after the quarter end ● Q4 submitted on 14th February, 2022. - 45 days after the quarter end <p><u>41+44+46+45</u></p> <p>4. Average = 44 days (6.3 weeks)</p> <p>The SDDRs were submitted within an average of 1.4 months (44 days).</p>	Satisfactory	
2	Note: Have you reviewed for accuracy and	a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, were obtained and other underlying data and supporting documents were also obtained by the IVA.	N/A	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>completeness from the DMO:</p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p>	<p>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.</p> <p>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) There were discrepancies noted during the comparison.</p> <p>i. SDDR Figure: ₦106,392,266,984.46</p> <p>ii. AFS Figure: ₦106,392,266,984.93</p> <p>iii. Difference: ₦ 0.47</p> <p>f) An APA issue was not raised as IVA found the difference to be immaterial.</p> <p>g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.</p>		
3	<p>Has the State published online the State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) by 31 December 2021?</p>	<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 was 29th December, 2021.</p> <p>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.</p> <p>d) The weblink is; https://ekitistate.gov.ng/wp-content/uploads/2021/2021dsa_dmo.pdf</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
4	Does the SDSA - DMSR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options; including a summary analysis of the projections of performance indicators used to assess Debt Management Strategy, and their implications for cost-risk profile of State debt portfolio in 2025; and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?	<p>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 section 2.2.3, table 2 Ekiti State Medium Term Fiscal Framework, charts 16 and 17 with projected annual figures from 2021 to 2024. Pages 9 and 25 of 2021 Report of the Ekiti State Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS)</p> <p>(b) Description of assumptions underpinning the MTB forecasts from 2021 to 2024 is presented in section 2.2.3, table 2 Ekiti State Medium Term Fiscal Framework, charts 16 and 17 with projected annual figures from 2021 to 2024. Page 9 of 2021 Report of the Ekiti State Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS)</p> <p>(c) A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout the period 2021-2024 in section 2.2.4 analysis of the medium-term policy for the period 2021-2024. See pages 11-12 of 2021 Report of the Ekiti State Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS)</p> <p>(d) The presentation and analysis in the entire forecast period were of adequate quality, and did not contain illogical statements (e.g., negative figures for debt stock; contradictory or illogical statements or arguments)</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 are presented in section 4.0 table - Debt burden performance indicators 2021-2030 and in charts in section 4.3 debt sustainability analysis simulation results and findings. See pages 22 and 25 of 2021 Report of the Ekiti State Debt</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Sustainability Analysis and Debt Management Strategy (State DSA-DMS).</p> <p>(b) Description of assumptions underpinning the borrowing options are presented in Annex 1: Table of Assumptions, page 41-43 and explained in section 4.2 borrowing options as the main text. See page 24 of 2021 Report of the Ekiti State Debt Sustainability Analysis and Debt Management Strategy.</p> <p>(c) A summary analysis of the debt projections and their implications for debt sustainability and fiscal policies throughout the period 2021-2030 are presented in section 4.0 table - Debt burden performance indicators 2021-2030. See page 22 of 2021 Report of the Ekiti State Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS).</p> <p>(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 is presented in Chapter 5 Debt Management Strategy, page 34 of 2021 Report of the Ekiti State Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS).</p> <p>(e) The presentation and analysis in the entire forecast period were of adequate quality, and did not contain illogical statements (e.g., negative figures for debt and borrowing projections; contradictory or illogical statements or arguments)</p> <p>(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year, contained the following;</p> <p>(a) Presentation of revenue, expenditure, budget balance, and debt information, at least for 2020 are included in tables and charts. See section 2.1 Ekiti State fiscal and debt framework. Fiscal reforms -revenue and expenditure in the last 3-5 years, section 2.2.2 Ekiti State Fiscal Policy Strategies for the 2022 budget, and</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>chapter 3 of 2021 Report of the Ekiti State Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS).</p> <p>(b) A summary analysis of the information presented on revenue, expenditure, budget balance, and debt in 2020: analysis of fiscal and debt situation in 2020 is presented in section 3.1 and 3.2, pages 13 and 14 of 2021 Report of the Ekiti State Debt Sustainability Analysis and Debt Management Strategy (State DSA-DMS).</p> <p>(c) The presentation and analysis in the entire historical period were of adequate quality, and did not contain illogical statements (e.g., negative figures for debt and borrowing projections; contradictory or illogical statements or arguments)</p> <p>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 preceding calendar year with historical figures from 2016 – 2020.</p> <p>c) There was no difference between the SDSA-DMSR obtained from the DMO and that obtained from the State.</p>		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	Domestic arrears as of end 2020 and end 2021 reported		Achieved (Basic Target)	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>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>Basic Target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch Target: More than 20 percent decline</p>			
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 has obtained a copy of the ACF from the State</p> <p>c) The establishment of the ACF occurred before 30 June 2021 - the latest date by which the ACF must be established in order for this result to be achieved.</p> <p>d) The establishment of the ACF occurred by 30 March 2021. This was 9 months before the 31 December 2021 year-end. This is adequate to allow time for the implementation of the ACF</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<p>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</p> <p>b) The evidence seen when reviewing the ACF that shows the ACF contains the two stated requirements was that the two requirements were stated in page 7 of the ACF.</p> <p>c) Other documents submitted by the state to confirm the ACF exists were SARVCR and its supporting documents. IVA compared the cleared arrears with the requirements stated in the ACF and found them to align.</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) IVA has downloaded a copy for validation</p> <p>c) The web link of the publication is https://www.ekitistate.gov.ng/wp-content/uploads/2021-ACF-Framework.pdf</p> <p>The evidence obtained to confirm the date of publication is a timestamp of the date of publication from the backend. This has been retained in the assessment file.</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.</p> <p>IVA tested if the cleared arrears in 2021 on each type of domestic arrears was in accordance with the proportions proposed in the ACF. The proportion of the paid arrears on each type of arrears was found to be in agreement with the ACF.</p>	Satisfactory	
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State has established an Internal Domestic Arrears Database</p> <p>b) The Internal Domestic Arrears Database includes the following:</p> <p>a. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, the</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>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.</p> <p>b. The aggregate amount of pension and gratuity arrears.</p> <p>c. The aggregate amount of salary arrears and other staff claims.</p> <p>d. The aggregate amount of other types of domestic arrears</p> <p>c) A verification process is in place for the arrears in the database</p> <p>d) IVA confirmed through the evidence provided by the State that the State has conducted verification of arrears balances.</p> <p>e) IVA conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, payroll records, underlying contract data.</p> <p>f) The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)</p>		
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?	<p>a) The State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2020 and 2021.</p> <p>b) IVA compared the aggregate and individual information available on the online publicly-accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly-accessible arrears database. (The state actually published all its arrears so the</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>information in online -publicly accessible arrears database and internal domestic arrears database are the same.)</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. If the State Ministry of Finance confirms the validity of this claim, it shall be added to the internal domestic arrears database and included as relevant in the online publicly accessible arrears database.</p> <p>d) 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) An instant response was received for a request sent online. The response acknowledges the receipt of the message sent by the IVA with a promise of further response within 24 hours. A letter was subsequently sent to the IVA's mail asking the IVA to contact the State Public Procurement Department for further action.</p> <p>f) The state did not receive any report of omission from their contractors.</p> <p>g) The state did not receive any report of omission from their contractors, hence there were no omissions of contractor arrears that were found to be valid and subsequently included in the internal domestic arrears database.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>h) The web link to the online publicly accessible arrears database are:</p> <p>(i). https://www.ekitistate.gov.ng/wp-content/uploads/STATUS-OF-STATE-OUTSTANDING-ON-PENSION-AND-GRATUITY-AS-AT-31ST-DECEMBER.pdf</p> <p>(ii). https://www.ekitistate.gov.ng/wp-content/uploads/Salary-outstanding-as-Dec-31st-2021.xlsx</p> <p>(iii). https://www.ekitistate.gov.ng/wp-content/uploads/Judgement-debt-Dec.2021-B.xlsx</p> <p>(iv). https://www.ekitistate.gov.ng/wp-content/uploads/Contractor-Arrears-for-December-2021.xlsx</p>		
7.	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding ₦20</p>	<p>The online publication includes the aggregate amount for the four types of arrears as shown</p> <p>The online publication contains the names of contractors owed ₦20m in arrears and above.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																												
	million and information for contractors to be able to verify that their claims are being accurately reported in the database.																																		
8.	<p>Has the State met the following?</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p>Basic target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch target: More than 20 percent decline</p> <p>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</p>	<table border="1"> <thead> <tr> <th>Aggregate Amount of:</th> <th>2021 (₦)</th> <th>2020 (₦)</th> <th>Diff. (%)</th> </tr> </thead> <tbody> <tr> <td>Contractors Arrears</td> <td>1,415,833,079</td> <td>2,336,645,135.01</td> <td>39%</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>14,748,162,674</td> <td>14,628,272,663.05</td> <td>-1%</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>4,021,971,739</td> <td>4,977,800,451.35</td> <td>19%</td> </tr> <tr> <td>Judgment Debt</td> <td>511,763,650</td> <td>829,382,226.28</td> <td>38%</td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total Domestic Arrears</td> <td>20,747,731,142</td> <td>22,772,100,476</td> <td>8.89%</td> </tr> </tbody> </table> <p>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.</p> <p>The Q2 SDDR shows a reduction of contractor arrears to N1.795bn without any associated settlement/outflow. The State is required to clarify the above observation.</p>				Aggregate Amount of:	2021 (₦)	2020 (₦)	Diff. (%)	Contractors Arrears	1,415,833,079	2,336,645,135.01	39%	Pension and Gratuity arrears	14,748,162,674	14,628,272,663.05	-1%	Salary arrears and Staff claims	4,021,971,739	4,977,800,451.35	19%	Judgment Debt	511,763,650	829,382,226.28	38%	Other types of domestic expenditure arrears				Total Domestic Arrears	20,747,731,142	22,772,100,476	8.89%	Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.</p>		
	<p>However, the debt stock for Contractors Arrears used by the IVA for the 2020 APA was ₦2,336,645,135.01 which was based on the figure in the Q4 2020 SDDR; while the Debt Stock for contractor arrears as at 31st Dec 2020 in the 2021 AFS was ₦1,809,388,742.18. This resulted in a difference of ₦527,256,392.83.</p> <p>An APA Issue report was issued to the State to explain the difference in figures. The State responded thus:</p> <p>“The Contractors arrear that was initially captured in the States SDDR for Q4 2020 which was submitted to the Debt Management Office, Abuja on 11th May 2021 captured a sum of ₦2,336,645,135.01. Thereafter, a reconciliation of the State contractor arrears was carried out by the State Domestic Arrears Committee, this then reviewed the contractor’s arrears figures to the sum of ₦1,809,388,742.18.</p> <p>In view of the above another SDDR was done for Q4 2020 and Q1 2021 and these was submitted and accepted by the Debt Management Office, Abuja.</p> <p>The above explanation account for the difference sum of ₦527,256,392.83</p> <p>Attached to this are</p> <p>i. the State initial SDDR that captured the sum of ₦2,339,645,135.01</p> <p>ii. The State final SDDR that captured the sum of ₦1,809,388,742.18</p> $\frac{\text{₦22,772,100,476} - \text{₦20,747,731,142}}{\text{₦20,747,731,142}} \times 100$ <p style="text-align: center;">=</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p style="text-align: center;">8.89%</p> <p>The percentage decline is 8.89%</p> <p>Source: State internal domestic expenditure arrears database, Q4 SDDR and SARVCR.</p> <p>In response to the State providing associated settlement/outflow in the reduction of contractors' arrears in Q2 to N1.795bn, the State responded that "Evidence of settlement/outflow in the reduction of contractors' arrears in Q2 to N1.795bn is attached herewith in the assessment file. Kindly note that the date at the right corner of the payment is the date when the payment vouchers were opened/prepared. The actual dates of payment of the arrears are located in the EXPENDITURE DIVISION section of the payment vouchers which include the cheque number and the date the cheques were released for payment.</p> <p>Please note that all payment vouchers were raised in the year 2020 but the payments were made in the second quarter of 2021. The initial date at the right-hand corner at the top indicates when the payment vouchers were opened/prepared. The <u>actual dates</u> of payment of the</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
		arrears are located in the EXPENDITURE DIVISION section of the payment vouchers which include the cheque number and the date the cheques were released for payment”.														
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>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p><u>Total Public Debt*</u></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>106,392,266,984.93</td> <td>118,246,199,630.91</td> </tr> <tr> <td>Total External Debts</td> <td>48,108,129,669.22</td> <td>49,808,146,907.88</td> </tr> <tr> <td>Total Public Debts</td> <td>154,500,396,654.15</td> <td>168,054,346,539.39</td> </tr> </tbody> </table>		Financial Statements (₦)	DMO/ SDEDR Figures (₦)	Total Domestic Debts	106,392,266,984.93	118,246,199,630.91	Total External Debts	48,108,129,669.22	49,808,146,907.88	Total Public Debts	154,500,396,654.15	168,054,346,539.39	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
	Financial Statements (₦)	DMO/ SDEDR Figures (₦)														
Total Domestic Debts	106,392,266,984.93	118,246,199,630.91														
Total External Debts	48,108,129,669.22	49,808,146,907.88														
Total Public Debts	154,500,396,654.15	168,054,346,539.39														

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations										
<p>-Basic target:< [120%] -Stretch target: < [95%]</p> <p>(ii) Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021.</p>	<p>Total Annual Revenue</p> <table border="1" data-bbox="709 345 1381 618"> <tr> <td>2021 Adjusted IGR (see DLI 4.2)</td> <td>13,690,417,627</td> </tr> <tr> <td>Gross FAAC Allocation**</td> <td>56,593,899,235</td> </tr> <tr> <td>Grants</td> <td>6,190,686,813</td> </tr> <tr> <td>Other Revenues</td> <td>3,877,362,502</td> </tr> <tr> <td>Total Revenue</td> <td>80,352,366,177</td> </tr> </table> <p>a. The State’s domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2021 has been obtained and the figures used are as at the end of Q4 2021. We have computed the total debts stock / Revenue percentage for the 2021 year, as follows:</p> <p>AFS Computation</p> $\frac{\text{₦}154,500,396,654.15}{\text{₦}80,352,366,177} \times 100 = 192.28\%$ <p>DMO Computation</p> $\frac{\text{₦}168,054,346,539.39}{\text{₦}80,352,366,177} \times 100 = 209.15\%$ <p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:</p> $\frac{\text{₦}14,287,797,050}{\text{₦}56,593,899,235} \times 100 = 25.24\%$	2021 Adjusted IGR (see DLI 4.2)	13,690,417,627	Gross FAAC Allocation**	56,593,899,235	Grants	6,190,686,813	Other Revenues	3,877,362,502	Total Revenue	80,352,366,177		<p>should ideally be much less.</p>
2021 Adjusted IGR (see DLI 4.2)	13,690,417,627												
Gross FAAC Allocation**	56,593,899,235												
Grants	6,190,686,813												
Other Revenues	3,877,362,502												
Total Revenue	80,352,366,177												

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>b. Federal DMO State Domestic and External Debt Report has been obtained and used in the computation.</p> <p>Sources:</p> <ul style="list-style-type: none"> i. For Total Revenue 2021 Audited Financial Statement, page 40 and 41 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> <p>** Refer to the FAAC table on DLI9 provided.</p>		

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

S/N	EKITI STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	21,943,540,631.39
2	BAIL OUT (SALARIES) (SOURCE CBN)	9,250,973,556.36
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	17,013,535,598.57
4	EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,678,919,117.90
5	STATE BONDS	13,431,012,939.19
6	COMMERCIAL BANK LOANS	4,584,660,377.68
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	4,731,339,901.96
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	-
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	9,987,906,633.00
11	HEALTHCARE DEDUCTIONS	2,258,519,943.14
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)	1,564,818,032.79
17	JUDGEMENT DEBTS	511,763,649.60

S/N	EKITI STATE	2021 - AMOUNT (₦)
18	GOVT - GOVT DEBTS	-
19	CONTRACTORS' ARREARS	1,415,833,079.14
20	PENSION AND GRATUITY ARREARS	14,798,162,673.74
21	SALARY ARREARS AND OTHER CLAIMS	4,021,971,739.05
22	OTHER DEBTS	-
	TOTAL DOMESTIC DEBT (TDD)	118,246,199,630.91
	TOTAL EXTERNAL DEBT (TED)	49,808,146,908.48
	TOTAL PUBLIC DEBT (TED+TDD)	168,054,346,539.39

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

TEMPLATE: OPTION A	₦
Item	2021
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	56,593,899,235
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	36,932,653,756
1.1.1 Gross statutory allocation	31,566,007,592
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	5,366,646,164
1.2 VAT	19,661,245,479
2. Internally Generated Revenues (IGR) - Adjusted	13,690,417,627
3. Grants (internal and external)	6,190,686,813
4A. Other revenues (4.1 + 4.2 + 4.3)	3,877,362,502
4.1 Investment Income (e.g. dividends)	15,500
4.2 Interest Earned	
4.3 Miscellaneous	3,877,347,002
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	80,352,366,177

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 –</p> <p>" ALL procurement opportunities are published and visible to the public on the "Annual Procurement and Disposal Plan" page of the portal. Furthermore, When a procurement process is created on the portal, the visibility depends on the method of procurement. For example if we are using Direct Procurement method or any type of Restricted Bidding in line with the Ekiti State Public Procurement Law S40 (1 -4), only the concerned vendor (registered vendors on the System) will receive the information by way of "Direct Invitation" about the procurement process and documents but the procurement plan have been made public through the Annual Procurement and Disposal Plan page. It should also be noted that if the Procurement is not published, there is NO way to "create Process" on the portal and even conduct the transactions.</p>	<p>IVA has noted the State's response and is satisfied with it.</p>
2	<p>DLI 8 -</p> <p>Evidence of settlement/outflow in the reduction of contractors' arrears in Q2 to N1.795bn is attached herewith in the assessment file. Kindly note that the date at the right corner of the payment is the date when the payment vouchers were opened/prepared. The actual dates of payment of the arrears are located in the EXPENDITURE DIVISION section of the payment vouchers which include the cheque number and the date the cheques were released for payment.</p> <p>Please note that all payment vouchers were raised in the year 2020 but the payments were made in the second quarter of 2021. The initial date at the right-hand corner at the top indicates when the payment vouchers were opened/prepared. The <u>actual dates</u> of payment of the arrears are located in the EXPENDITURE DIVISION section of the payment vouchers which include the cheque number and the date the cheques were released for payment.</p>	<p>IVA has noted the State's response</p>
3		
4		