



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

2021 Annual Performance Assessment (APA) Report

IMO 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

The report details the outcome of the Annual Performance Assessment (APA) conducted on Imo 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 Imo State and shows areas where the State was able to achieve results. In total, Imo State achieved 11 (Eleven) DLRs out of 15 (Fifteen) DLRs applicable to the 2021 APA, out of which 3 (Three) DLRs were achieved in the 2020 APA.

Table 1: Assessment Results

Key:			
	Achieved	Not Achieved	Previously Achieved
Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY21 quarterly budget implementation reports for Q1, Q2, Q3 and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY21 deviation for total approved original budget expenditure is < 15%		Budget deviation was 61.25%
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2022 budget and citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms.		
	DLR 2.2: Citizen's Accountability Reports based on audited financial statements /reports are summarized and comprehensible versions of the audited statements and details of State government public consultations with citizens presenting the annual financial statements should be made available on the state official website (s) by 30th September of each subsequent financial year.		
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 80 percent of state government finances.		
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	2020	
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target -Basic target: 20%-39% -Stretch target: 40% or more	Stretch Target Met	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
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	2020	
	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		The State should implement e-procurement in at least 4 MDAs.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.	2020	
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021 AND Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021.		
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2020 and end 2021 reported in an online publicly-accessible database, with verification process in place. AND Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework. Basic target: At least a 5 percent decline or maintain stock below 5 billion naira Stretch target: More than 20 percent decline		The percentage decline in the verified stock of domestic arrears was less than 5% [or the stock of arrears was above 5 billion]
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021 AND		Total Debt Stock to Revenue is ≥ 120% by end December 2021.

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	Total debt stock at end of December 2021 as a share of total revenue for FY2021 meets target: Basic target: < 120%, Stretch target: < 95%.		

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

1. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
2. DLR 6.2: e-Procurement should be implemented as soon as possible. Contract award information, above the set threshold, should be published online every month in OCDS format on the State’s website. Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs.
3. 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%.
4. 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 program's requirements and the protocol for 2021. The assessment results are binary (achieved or not achieved), 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 03/07/2022 and 09/07/2022 with a team of six (6) persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2021] quarterly budget implementation reports published on average within [4 weeks] of quarter end to enable timely budget management		Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	The Quarterly Budget Implementation Reports were posted online on Q1 - 2021 www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2021_20 Q2 - 2021 www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2021_21 Q3 - 2021 https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_1?ID=2021_22	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Q4 - 2021 https://www.imostate.gov.ng/IMSG/Common/Services/SFTA_S_1?ID=2021_23</p> <p>The Quarterly Budget Implementation Reports was accessed on 5th July, 2022.</p> <p>The dates of online publication are as follows:</p> <ul style="list-style-type: none"> ● Q1 – (08/04/2021) - 1.1 weeks (8 days) ● Q2 – (08/07/2021) - 1.1 weeks (8 days) ● Q3 – (08/10/2021) - 1.1 weeks (8 days) ● Q4 – (26/01/ 2022) - 3.7 weeks (26 days) <p>Average days (weeks) for the online publication was computed based on the last 4 quarters, as below:</p> $= \frac{8+8+8+26}{4}$ <p>Average = 12.5 days (1.8 weeks)</p> <p>We downloaded the Quarterly Budget Implementation Reports for all four quarters for the year 2021. IVA has also 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,	<p>From our review of the Quarterly Budget Implementation Reports downloaded from the State’s website (see weblinks above) we observed the following:</p> <p>a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Overheads, Capital, and others), the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	<p>b) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each as well as the cumulative expenditures for the year to date.</p> <p>c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations.</p> <p>d) The State has a Revised Budget.</p> <p>e) The Budget Implementation Reports showed only the approved original budget. The State does not have a revised budget.</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 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 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	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												
	will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?															
DLR 1.2	FY [2021] deviation from total approved budget expenditure is less than 15%		Not Achieved													
1	<p>Has the State computed the difference between the Original/Approved total budgeted expenditure for the fiscal/calendar year 2021 and the actual total expenditure in the fiscal/calendar year 2021, divided by the Original approved total budgeted expenditure and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 15%</p>	<p>The State did not compute the budget deviation for 2021.</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1" data-bbox="718 701 1358 1006"> <thead> <tr> <th></th> <th>Total Approved Original Budget ₦</th> <th>Actual ₦</th> </tr> </thead> <tbody> <tr> <td>Capital Exp. (Pages 4 & 5)</td> <td>271,532,840,141.2</td> <td>39,982,431,513.22</td> </tr> <tr> <td>Rec. Exp. (Pages 4 & 5)</td> <td>74,643,881,943.30</td> <td>94,161,841,576.74</td> </tr> <tr> <td>Total</td> <td>346,176,722,084.58</td> <td>134,144,273,089.96</td> </tr> </tbody> </table> $\frac{\text{₦}346,176,722,084.58 - \text{₦}134,144,273,089.96}{\text{₦}346,176,722,084.58} \times 100 = 61.25\%$ <p>The budget performance deviation is 61.25%</p> <p>Source: Year 2021 Audited Financial Statement Pages 4-5, 8-10 and Approved Budget and Actual Expenditure or Appropriation Law Page 1.</p>		Total Approved Original Budget ₦	Actual ₦	Capital Exp. (Pages 4 & 5)	271,532,840,141.2	39,982,431,513.22	Rec. Exp. (Pages 4 & 5)	74,643,881,943.30	94,161,841,576.74	Total	346,176,722,084.58	134,144,273,089.96	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	Total Approved Original Budget ₦	Actual ₦														
Capital Exp. (Pages 4 & 5)	271,532,840,141.2	39,982,431,513.22														
Rec. Exp. (Pages 4 & 5)	74,643,881,943.30	94,161,841,576.74														
Total	346,176,722,084.58	134,144,273,089.96														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	<p>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget</p> <p>AND</p> <p>Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms</p>		Achieved	
1	<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 documents obtained and reviewed include the following: Attendance register (name, organization, address/community/LGA, contact, email & signature), and minutes/report of the meeting.</p> <p>a) Some of the local governments in attendance include: Orlu, Okigwe, Owerri North, Owerri Municipal, Owerri West, Ikeduru, Aboh Mbaise, Ehime Mbaise, Orsu, Oguta, Isu, Obowo.</p> <p>b) The CSOs representatives in attendance were: Ndi Eze/Traditional rulers (HRH. Eze E.C.Okeke), CBOs include: women and youth leaders (CBO) (Mrs Joy Nnodi Moses and Chiadikaobi Umeh), Disable Youth association (Okeoma Godson).</p> <p>c) The sources of information from which our conclusions were drawn were minutes, attendance, pictures, etc.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>d) The sources of information from which conclusions were drawn include report/ minutes, attendance, pictures, and phone numbers.</p> <p>e) The dates of the consultation are: 26th July 2021, 13th August 2021, 12th November 2021 and 18th November 2021 and consultation held at the Conference Hall of Block 6 State Secretariat Complex and Conference Hall of Ministry of Budget and Economic Planning and Statistics.</p> <p>f) A random sample of 10 attendees were called through phone calls and all confirmed in attendance.</p> <p>g) The proposed budget was not dated, IVA Obtained evidence of budget presentation to the House of Assembly to confirm that the drafting of the budget took place after the consultation, which is dated 17th December, 2021.</p> <p>h) The date of the consultation is: 26th July 2021, 13th August 2021, 12th November 2021 and 18th November 2021 while the date of the draft budget was 17th December 2021, IVA obtained evidence of budget presentation to the House of Assembly to confirm that the drafting of the budget took place after the consultation which is 17th December 2021. The consultation comes first.</p> <p>i) The date of online publication of the proposed budget is 30th December, 2021.</p> <p>j) It was published before the deadline 31st January, 2022.</p> <p>k) The web link for the publication of the proposed budget is:</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		(https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2022_5 (08/07/2022)).		
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 2021 to enable citizens to find the inputs easily?	<ul style="list-style-type: none"> a) The CSO that co-signed the minutes is Dr (Mrs.) Jane Chukwukkere and Dr Rose Adiukwu b) The title of the minute is Participatory open budget stakeholder’s forum for the preparation of 2022 Imo State Budget. The dates are: 26th July 2021, 13th August 2021, 12th November 2021 and 18th November 2021 c) The signatories represent Civil Society Organisation and CS-SNN d) The weblink for the publication is: https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2022_3 and the date of publication is (21/12/2021). This was accessed on (07/07/2022). e) The published minutes were adequately sign-posted on the website. 	Satisfactory	
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?	<ul style="list-style-type: none"> a) The Citizens budget based on the Approved Budget (2021) was published on (29th April 2021) before the due date via https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2021_2 accessed on (07/07/2022). b) A comparison of the Approved Budget 2021 with the Citizens Budget was done and there were no significant areas of discrepancies. c) The Citizen’s budget was prepared in the format suggested to the States in the Citizen Budget User Manual and Excel Template. There were no discrepancies exist among the following: <ul style="list-style-type: none"> I. Simple explanation of the annual approved budget/citizens budget. (Pages 6-10) II. The sources of revenues. (Page 11) 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> III. Sources of domestic and foreign grants, domestic loans, and other financing sources. (Page 11, 14-18) IV. Total expenditure by economic classifications. (Page 12,13) V. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. (Pages 14-18) VI. Disclosure of Budget deficit (if any) and how it will be financed. (Pages 14-18) VII. Sectoral Allocation (by MDAs). (Pages 19-22) VIII. Top Projects to be financed (at least 5). (Pages 25) d) The minimum required budget information outlined above (extracted from the Citizen Budget User Manual and Template) has been included. e) No different format was used. 		
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 functional feedback and response online mechanisms on its website. b) The type of feedback mechanism established on the State website is an online comment form. The state has chat, email and phone number on the feedback section. 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: IVA got feedback by way of response to IVA mail within 24 hours. ii. State's responses to comments/feedbacks: The state responded to IVA's mail by attaching a link to the 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>response made to IVA request. Evidence has been retained on a file.</p> <p>iii. Display of timeframe and the State's government contact details: No display of timeframe.</p> <p>Screen shot of evidence has been retained on a file.</p> <p>d) The test conducted to ascertain the functionality of the feedback mechanism is an email sent to the email address sighted at the feedback mechanism section on the State official website and the state responded by attaching a link to the response made on IVA request. With the test conducted, the feedback mechanism is functional. Screenshot of evidence has been retained in the assessment file.</p> <p>e) A demonstration was done by the State Ministry of budget and planning to provide further evidence to demonstrate how the State has responded to feedback submitted online. Screenshot of the comment sent and feedback received were obtained and retained on a file.</p> <p>f) The state feedback mechanism is functional.</p> <p>g) The weblink to the feedback mechanism is: https://www.imostate.gov.ng/IMSG/Common/Services/Feedback</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	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1.	Did the state conduct dissemination events to explain amendments to the FY2020 State budget and was adequate evidence of the events published online and by the due date?	<p>a) The Citizen’s Accountability Report has been downloaded and retained in assessment file.</p> <p>b) A review has been done on the downloaded Citizens Accountability Report.</p> <p>c) The Citizen’s Accountability Report was published on 28th September, 2021 before September 30, 2021 and a copy has been retained on the file.</p> <p>d) The full Annual Audit Report for the year 2020 has been compared with the Citizen’s Accountability Report and there was no area of discrepancies identified.</p> <p>e) IVA has obtained and reviewed the evidence of public consultations with Citizens to explain the FY2020 financial statement.</p>	Satisfactory	
2 New	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 date on 28/09/2021 via https://axxpoint.imostate.gov.ng/pdf/IMSG_Citizenship_Accountability_Report.pdf and was accessed by IVA on 07/07/2022.</p> <p>Upon further review, IVA noted that this link is to a document vault which is not publicly accessible without a link or sign post from a Government Website.</p> <p>The State is required to provide a link to where the CAR is signposted from an official government website.</p> <p>The State responded as follows: “Sequel to our response to DLI2.2 APA issue (APA issue 12 IVA for Imo State) Section 12.4 of that report has the State response which provided the link as required by IVA. The</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>document includes the presentation of 2020 Audited Financial Statement to the public.</p> <p>Although the protocol does not specify the appropriate medium, however, the minutes of public presentation of the 2020 Audited Financial Statements and CAR was earlier attached in reference to IVA earlier request for 2.2 and is available at</p> <p>https://www.imostate.gov.ng/IMSG/Common/Services/SFTA_S_2?ID=2021_24</p> <p>The IVA protocol is that the Citizens Accountability Report based on the Annual Audit Report (2020) document should be published on the State website, The Citizens Accountability Report based on the Annual Audit Report (2020) was published before the date on 28/09/2021. The link where the CAR was published is Imo State government official website.”</p> <p>b) A comparison of the Annual Audit Report FY20 with the Citizens Accountability Report 2020 was done and there were no areas of discrepancies.</p> <p>c) The Citizen’s Accountability Report was prepared according to the Template provided to the State and no discrepancies exist among the following:</p> <ul style="list-style-type: none"> i. Simple explanation of the Citizens Accountability Report and Executive Summary. ii. The Budget Outturn. Section :1 page 5 and 6 of 22 iii. The Revenue Outturn. Section :2 page 7 and 8 of 22 iv. The Expenditure Outturn. Section: 3 page 9 and 10 of 22 v. The Audit Findings. Section: 4 page 11 and 12 of 22. 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> vi. The Audited Financial Statements. Section 5: page 13 and 14 of 22 vii. Top Sectoral Allocations. Section 6: page 15 to 18 of 22 viii. Top Value Capital Projects. Section 7: page 19 and 20 of 22. ix. Citizens-Nominated Projects-Implementation Status Report. page 21 of 22 d) The minimum required citizen's accountability report information outlined above (extracted from the Template) has been included. e) A different format was not used. 		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	<p>The Citizen's Accountability Report presents in a summarized manner the Audited Financial Statement or Annual Audit Report FY2020.</p> <p>The Citizens Accountability Report included a concise explanation of the key components of the FY2020 Audited Financial Statements.</p> <p>The evidence and details of the public consultation that was held during the presentation of the annual financial statements (i.e. the Citizen's Accountability Report for 2020) to the Citizens was contained in page 22 of the CAR. Copies of the evidence obtained had been retained in the assessment file.</p> <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 on the 28th September 2021 before the deadline.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
<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?	<ul style="list-style-type: none"> a. The State has established a functional state-level TSA. b. The State operates one account for the IGR, FAAC and VAT. c. The name of the account is Imo State Govt. (FAAC) A/C, 1013197705, Zenith Bank Plc. 	Satisfactory	
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>The State has a Cash Management Strategy.</p> <ul style="list-style-type: none"> a) The Cash Management Strategy is called "Imo State Government Cash Management Strategy (First Edition)" b) The Cash Management Strategy document was produced in June 2018. The document was signed by the Permanent Secretary for Ministry of Finance and Accountant General for the State c) The Cash Management Strategy includes the processes through which the State Ministry of Finance of Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of funds. (Ref. Section 3 Pages 22 - 23). d) The strategy stated that "Consolidation of government cash resources will take place daily at close of business" Page 23. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		e) The State provided evidence of implementation of processes described in the cash management strategy to forecast cash commitments and requirements.		
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 system/application where the cash balances in the TSA could be viewed.</p> <p>a) The name of the application is APPMART by APPMART which uses Interswitch.</p> <p>b) It is in line with the Cash Management Strategy</p> <p>c) The APP 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 revenue generating MDAs interviewed are: Ministry Works, Ministry of Health and the Ministry of Education respectively. The results of the tests performed at each MDA showed that the payments were made into TSA banks designated by the BIR. Evidences obtained to confirm this includes payment tellers, receipts issued by the BIR.</p> <p>b) The TSA bank statement was obtained from the State.</p> <p>c) The State has one TSA for FAAC, VAT and IGR.</p> <p>d) From the interview conducted and confirmation from the State Accountant-General, all government monies do not sit in the other revenue collecting banks but are brought into the TSA.</p> <p>e) The TSA bank statement was obtained from the State.</p>	Satisfactory	
5	Does the TSA cover a minimum of 80% of the State Government's finances?	<p>The IVA computed the total cash inflow and outflow from the TSA account against the total government finances inflows and outflows as contained in the Cashflow Statement for the year ended 2021.</p> <p>See the computation below:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations
			Total Inflows ₦	Total Outflows ₦	
		TSA Bank Statement**	126,950,381,375.52	129,437,308,095.77	
		Government Finances*	147,145,521,462.28	134,144,273,098.97	
		Percentage	86%	96%	
		<p>The average percentage computation is:</p> $\frac{86 + 96}{2} = 91\%$ <p>The TSA covered 91 % of the State's finances.</p> <p>*Sources: 2021 Audited Financial Statement (Cash Flow Statement Pages 8-10) and the TSA Statement from (Zenith Bank Plc: 1013197705) for (1 January to 31 December 2021).</p> <p>Adjustments were made for spurious and circular entries. See table below:</p>			
		VALUE DATE	DESCRIPTION	DR	CR
				129,437,308,095.77	126,950,381,375.52
		10/5/2021	NISS INFLOW/ BNG 4TH AND FINAL TRANCHE OF REFUND/CBN/CENTRAL BANK		- 3,190,291,966.98
		11/5/2021	TRF TO IMO STATE	3,190,291,966.96	-

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>The average percentage computation is:</p> $\frac{80\% + 90\%}{2} = 85\%$ <p>The TSA covered 85% of the State finances</p>		
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published		Previously achieved in 2020 APA	
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	This DLR was previously achieved in 2020 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) or the State Internal Revenue Service (SIRS) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?	This DLR was previously achieved in 2020 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 reporting and accounting for the revenues?	This DLR was previously achieved in 2020 APA		
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2021.	This DLR was previously achieved in 2020 APA		
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	This DLR was previously achieved in 2020 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																																																				
DLR 4.2	Annual nominal IGR growth rate meets target		Achieved (Stretch 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% or more</p>	<p>a. The accounting basis used for revenue reporting in 2020 and 2021 from the Audited Financial Statements is IPSAS Accrual.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year's APA. See the computation below:</p> <table border="1"> <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><i>Memo: Reported IGR in AFS (Before Adjustments)</i></td> <td>9,493,907,130</td> <td>20,481,342,630</td> <td>116%</td> </tr> <tr> <td>VALID IGR items to be counted as IGR</td> <td>9,475,706,833</td> <td>20,153,763,913</td> <td></td> </tr> <tr> <td>Direct tax</td> <td>6,926,531,715</td> <td>14,697,082,010</td> <td></td> </tr> <tr> <td>Personal income tax (PAYE)</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Licenses</td> <td>115,777,546</td> <td>269,642,594</td> <td></td> </tr> <tr> <td>Levies</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Fees</td> <td>2,154,503,459</td> <td>4,599,318,391</td> <td></td> </tr> <tr> <td>Fines</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Charges</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Sales of goods and services</td> <td>252,201,504</td> <td>548,101,787</td> <td></td> </tr> <tr> <td>Earnings (Excluding interest or</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION A	₱	₱	% GROWTH	Item	2020	2021		<i>Memo: Reported IGR in AFS (Before Adjustments)</i>	9,493,907,130	20,481,342,630	116%	VALID IGR items to be counted as IGR	9,475,706,833	20,153,763,913		Direct tax	6,926,531,715	14,697,082,010		Personal income tax (PAYE)				Licenses	115,777,546	269,642,594		Levies				Fees	2,154,503,459	4,599,318,391		Fines				Charges				Sales of goods and services	252,201,504	548,101,787		Earnings (Excluding interest or				Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		investment income)				
		Rent of govt. property/building	1,771,222	39,619,131		
		Other	24,921,386	-		
		"Adjusted IGR" for DLI 4.2 Calculation				
		Sum of all VALID items of IGR if AFS has that detail	9,475,706,833	20,153,763,913	113%	
		$= \frac{\text{N}20,153,763,913 - \text{N}9,475,706,833}{\text{N}9,475,706,833} \times 100$ $= 113\%$				
		The annual nominal growth was 113%				
		Source: 2021 Audited Financial Statement (Page 12).				
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	The State commenced the biometrics capture exercise of the Civil Servants and Pensioners in January 2020 and was completed in November 2020.			Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations				
for 90% of the current civil servants and pensioners on the State payroll?	<p>a) The Biometric data capture of the civil servant and pensioners were not outsourced to a Consultant. It was being handled by Imo State Data Management Centre (IMSDMC).</p> <p>b) The total number of Civil Servants in the Nominal Roll is 12,725, while the payroll figure is 12,725.</p> <p>c) The total number of Pensioners in the Nominal Roll is 12,927, while the payroll figure is 12,927.</p> <p>d) The total number of staff on the State Nominal roll and the payroll is 25,652.</p> <p>e) The changes to the total number of civil servants and pensioners on the Nominal roll and payroll was 782 (2.9%) and not up to 10%. It was a decline of 2.9%</p> <table border="1" data-bbox="699 699 1381 824"> <tr> <td>Total NO Civil Servants & Pensioners in 2020</td> <td>26,434</td> </tr> <tr> <td>Total NO Civil Servants & Pensioners in 2021</td> <td>25,652</td> </tr> </table> $\frac{25,652 - 26,434}{26,434} \times 100 = -2.9\%$ <p>f) Biometrics data that has been captured for Pensioners and Civil Servants is 25,652.</p> <p>g) The documents obtained to derive our conclusion are:</p> <ol style="list-style-type: none"> i. DLI 5.1-1 Copy of Reports on the State Biometric database from Imo State Data Management Centre (IMSDMC) stating numbers of persons registered. ii. DLI 5.1-2-Report of 2021 Biometric capturing and BVN linkages to Payroll System of Civil Servants and Pensioners in Imo State iii. DLI 5.1.3- Copy of 2021 Imo State Audited Financial Statement 	Total NO Civil Servants & Pensioners in 2020	26,434	Total NO Civil Servants & Pensioners in 2021	25,652		
Total NO Civil Servants & Pensioners in 2020	26,434						
Total NO Civil Servants & Pensioners in 2021	25,652						

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>iv. DLI 5.1-4- Copy of Imo State Employee Biometrics Revalidation Annual Report which were sighted and retained in the assessment file.</p> $\frac{=25,652}{25,652} \times 100$ $= 100\%$ <p>The State had captured 100% 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 and completed the linkage of biometric data to payroll in the year 2020.</p> <p>b) The total number of staff and pensioners that had their biometrics data linked to the payroll is 25,652.</p> <p>c) No ghost workers were detected during the biometric validations in the 2021 year of assessment.</p> <p>d) No ghost workers were detected thus no money was saved.</p> <p>e) There are in-year changes to the civil servant and pensioners payrolls as a result of retirement and deaths.</p> <p>f) There are procedures in place for ensuring timely (within 3 months of the event) updates to the payroll to reflect leavers, retirees, and deaths. The procedures in place are as follows: A memo is initiated by the Permanent Secretary of the concerned staff and addressed to the Executive Director of Imo State Data Management Centre requesting for the stoppage of salary. Action is being taken immediately by the MD/IMDMC pending further directives by the higher authority. The documents obtained to support the conclusion on this were: Scanned copies of Initiating memos for stoppage of</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>salaries, approval of Permanent Secretaries, minutes of Managing Director/MD/IMDMC on the directive for stoppage of salaries, and a screenshot of payroll system to confirm the stoppage of salaries.</p> <p>Furthermore, the system is configured in such a way that it automatically removes retired Civil Servants from the payroll.</p> <p>g) There were changes to the civil servant and pensioner payrolls during the fiscal year as a result of retirement and deaths.</p> <p>h) These changes were captured in the biometric exercise.</p> <p>i) The procedure in place to identify and remove ghost workers is outlined in (f) above which ensures that retired, dead, terminated Civil Servants are removed from the payroll.</p>		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<p>a) No ghost workers were detected during the linkage as no linkage was done in FY 2021.</p> <p>b) There were no records of ghost workers as none was identified.</p> <p>c) No identified ghost workers were removed from the payroll thus the payroll remained the same.</p> <p>d) No ghost workers were removed from the payroll thus the payroll figure did not change.</p> <p>e) The source of this information is a “2021 Report on Biometric Capturing and BVN linkages to Payroll System of Civil Servants and Pensioners in Imo State” dated 11th February, 2022, a copy of which has been retained in the assessment file.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 2020.</p> <p>a) The BVN data capture of the Civil servant and pensioners were not outsourced to a Consultant. It was handled by Imo State Data Management Centre (IMSDMC).</p> <p>b) The total number of Civil Servants is 12,725</p> <p>c) The total number of Pensioners is 12,927</p> <p>d) The total number of staff on the State Nominal roll is 25,652 (12,725 for Civil Servants + 12,927 for Pensioners).</p> <p>e) The total number of staff whose BVN has been linked to the payroll is 25,652 (12,725 (Civil Servants) + 12,927 (Pensioners)).</p> <p>f) The source of information was obtained from the reports of biometric capturing of Civil Servants and Pensioners directly from the database of the State.</p> $= \frac{25,652}{25,652} \times 100$ $= 100\%$ <p>The State has linked 100 % of the State's Civil Servants and Pensioners' BVN data to the payroll.</p>	Satisfactory	
2	Has the State taken steps to identify payroll fraud?	a) The total number of staff with BVN is 25,652 and none without BVN data.	Satisfactory	.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>b) No record was kept for payroll fraud since no payroll fraud was identified.</p> <p>c) No payroll fraud was identified.</p> <p>d) The total payroll figure for both Civil Servants and Pensioners as at 31st December, 2021 is ₦9,024,697,124.40</p> <p>e) The payroll figure remains the same as no payroll fraud was identified in the year of assessment.</p> <p>f) The source of this information is a biometric capturing and revalidation reports of Civil Servants and Pensioners provided by the Imo State Data Management Centre (IMSDMC) and the 2021 Audited Financial Statements.</p>		
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 the 2020 APA	
1	Does the State have a public procurement legal framework	Previously achieved in the 2020 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	that must be approved by the 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 the 2020 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 the 2020 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		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>format on the online portal for the 4 MDAs</p> <p>AND</p> <p>For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.</p>			
1	<p>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>	<p>a) The IVA obtained a schedule of all contracts awarded during the year under assessment (there was no threshold defined in the state procurement law or procurement manual as the case may be).</p> <p>b) Upon review of the contracts published against the schedule of contracts provided by the State and the CAPEX figure in the AFS, IVA observed a significant difference between the CAPEX and the published contract awarded during the year. The sum of N34,787,220,882.18 was the difference identified. An APA issue was raised to that effect but the state is yet to respond as at the time of this report.</p> <p>The State responded as follows:</p> <p>“The Capital expenditure of N39.9bn reported in the 2021 AFS represented payments for different contracts most of which predated the period qualifying for publishing, depending on valuation certificates. The figure of N5.6bn published online accounted for contracts that satisfied the provisions of the State Procurement Law with regards to</p>	Unsatisfactory	The State should ensure that contract award information contains the value against each contract.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>publishing. Sections 44 & 45 of the Imo State Procurement Law provide for emergency procurement. Section 45(4) provides that “immediately after the cessation of the situation warranting any emergency Procurement, the procuring entity shall file a detailed report thereof with the Procurement Bureau which shall verify same and if appropriate, issue Certificate of “ No Objection”</p> <p>Consequently, all emergency roads and other infrastructure contracts awarded in 2021 for which interim payments may have been made would not be published by the Bureau on the State website until it receives reports from the awarding MDAs, verifies same and issues relevant Certificate of No Objection. This position of the Law will naturally bring disequilibrium between the amount reported in the 2021 AFS and amounts published by the Bureau.</p> <p>Secondly, the response of the State on this difference between the reported figure in the AFS and published amount had been considered in favour of the State.”</p> <p>c) The State published the information on all contracts awarded for the year under assessment (there was no threshold defined in the state procurement law or procurement manual as the case may be).</p> <p>d) The list of contracts published online did not appear to be complete based on a review against the schedule of all contracts provided. Also, the total transactions published by the four MDAs did not tally with the contracts published in OCDS.</p> <p>e) The data published is in line with the Open Contracting Data Standards (OCDS)</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>f) The source of the publication is the OCDS portal. https://bpppi.imostate.gov.ng/Content/Procurement?ID=8</p> <p>IVA reviewed the link and noted that the link yielded a page for the generation of award reports by year. The contract awards for 2021 did not to show the award amount. It only showed project estimates. The amounts are not shown on the list of awards, and are not shown in the details for each Award (as accessed though the OCDS link). Therefore the requirement to publish contract amount appears not to have been met.</p> <p>The State did not respond to the issue of amounts not shown on the list of Awards.</p> <p>The IVA carried out some tests on the physical files provided and the findings is that the state followed the procurement cycle, however there was no demonstration of the e-procurement cycle online.</p> <p>g) The minimum contract award information that was published are:</p> <ul style="list-style-type: none"> (i) Project name, (ii) Awarding institution, (iii) Award date, (iv) Name of contractor, and (v) The contract amount was not published <p>h) All items in (g) above were published except for the contract amount.</p> <p>i) The weblink where data was published is https://bpppi.imostate.gov.ng/Content/Procurement?ID=8</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		J) The contract award information published on the State official website was accessible to the public.		
2 New	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?	<p>a) IVA visited the E-procurement portal and confirmed that the State has implemented e-procurement in at least four (4) MDAs (including Education, Health and Public Works) by 30 June 2022.</p> <p>b) A report on all transactions for the four MDAs during the period 1 January 2021 to 30 June 2022 directly from the e-procurement systems was not obtained as the IVA was unable to download.</p> <p>c) IVA has not obtained a separate report of procurements for all four MDAs for the period 1 January 2021 to 30 June 2022 from the State's Accountant-General. APA issue was raised on this but the state is yet to respond as at the time of this report.</p> <p>In responding to the APA Draft Report, the State did not provide a separate report of procurements for all four MDAs for the period from the State's Accountant-General Office.</p> <p>d) No procurement plans were seen on the system. The link for procurement plans for each of the three required MDAs gave an 'error - page in development' message. (Screenshots retained).</p> <p>The go-live date for e-procurement at the 4 MDAs was provided by the State's IT personnel but no evidence was obtained to prove the go-live date for each of the five expected minimum functionalities.</p> <p>e) No data was obtained for all the four MDAs after go-live, to compare with the system generated report and that of the Accountant-General's report for the period 1 January</p>	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs, and in at least 4 MDAs in the first instance (including Education, Health, and Public Works).

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>2021 to 30 June 2022 and confirmed that all the transactions were conducted through the e-procurement system.</p> <p>f) A hard copy 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 manually as it wasn't available on the e-procurement portal. Also the sample selected included at least two of the categories of expenditure (goods, works or services).</p> <p>g) The hard copy sampled transaction followed the procurement lifecycle. All the transactions were listed on the e-procurement system but there was no substantial evidence to show that the transactions were carried out through the e-procurement system.</p> <p>h) IVA was unable to confirm via observative evidence that the State had implemented the e-Registration, e-Publishing/Notification, e-procurement planning, e-Tendering, and e-Evaluation/e-Awarding modules for contracts and had transactions processed through them for the period 1 January 2021 to 30 June 2022 in all the four MDAs via an e-procurement portal but was only able to check this through the hard copy provided.</p> <p>i) As at the time of this review, the state had processed all of its procurement transactions in 4 MDAs through the five minimum required modules based on the hard copy documents provided but did not provide IVA with evidence of a go-live date. IVA was it was not able to verify a go-live date, and was also not able to confirm the system was in use by the pilot MDAs for the required six month period via a walk-through. The State only provided a hard copy evidence of its usage of the e-procurement platform.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>j) However, the evidence of the usage of the the e-procurement platform should have been through a walk-through.</p> <p>k) The evidence obtained from the hard copy sampled transactions (and not the e-procurement platform) were:</p> <ul style="list-style-type: none"> i. Advert information ii. Quotation/bidding documents iii. Meeting of tender board/Evaluation iv. award of contract v. Notification of contractor. <p>The E-Procurement link provided does not contain evidence to show that it has been used to perform contract awards in the period under review.</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 2020 APA	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR	Previously Achieved in 2020 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?			
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 2020 APA		
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 2020 APA		
DLR 7.2	Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>AND</p> <p>Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021</p>			
1	<p>Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average of two months after the end of the quarter in 2021?</p>	<p>a) We obtained evidence that the State produced approved quarterly State Domestic Debt Reports (SDDR) (final versions), which were submitted on an average of 2 months after the end of each quarter and received by the DMO as follows:</p> <ul style="list-style-type: none"> ● Q1 submitted on (14/05/2021) 44 days, ● Q2 submitted on (16/08/2021) 47 days, ● Q3 submitted on (15/11/2021) 46 days and ● Q4 submitted on (10/02/2022) 41 days. $= \frac{44+47+46+41}{4}$ <p>Average = 6.35 weeks (44.5 days)</p> <p>The SDDRs were submitted within an average of two (2) months i.e. 1.58 months (44.5 days).</p>	Satisfactory	
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO:</p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and</p>	<p>a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents were obtained.</p> <p>b) We awaitobtained the DMO’s Report on State Domestic and External Debt Report (SDEDR) and compared with the</p>	N/A	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>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>Imo State Debt Domestic Report along with all underlying 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: ₦205,189,459,320.27</p> <p>ii.AFS Figure: ₦150,629,415,153.12</p> <p>iii.Difference (if any): ₦54,560,044,167.15</p> <p>f) IVA issued an APA to the State and the State response as follows: "The State wishes to state that the discrepancies are majorly because the Audited Financial Statements (AFS) is prepared on CASH BASIS while the Quarterly State Domestic Debt Report (SDDR) is on ACCRUAL BASIS, hence the reporting month a significant factor here. Also taking into account is the fact that the DCRR was wrongly captured in the year 2021 in our SDDR as the disbursement was only done in December, 2021. Reconciliation process is however on-going with the DMO, Abuja for necessary adjustment; and same as the CBN Healthcare Intervention Fund where the State is currently servicing N2.5 Billion whereas it is only N2 Billion that has so far been disbursed to the State since August 2021. With respect to the Domestic Expenditure Arrears Contractors, Pension & Gratuity Arrears, the DMO-Imo erroneously understated the payments made in 2021 for these arrears and which has been corrected as can be confirmed via the link below and as captured in the State's Financial Statements. DEBT PROFILE</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>(https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_8?ID=2021_1).</p> <p>g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been obtained and 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's official website.</p> <p>b) The date of publication is 4th December, 2021.</p> <p>c) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published before the 31st December, 2021 deadline. IVA obtained and retained in the assessment file; screenshots taken from the IT back end of the State's website showing date of online publication.</p> <p>d) The web link is: https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_7?ID=2021_4</p>	Satisfactory	
4	Does the SDSA - DMSR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options; including a summary analysis of the projections of performance indicators used to assess Debt Management Strategy, and their implications for cost-risk profile of State debt portfolio	<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>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>in 2025; and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?</p>	<ul style="list-style-type: none"> © A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout the period 2021-2024 (c) 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.) (2) A detailed and adequate description of the debt portfolio and borrowing options, including: <ul style="list-style-type: none"> (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. (b) Description of assumptions underpinning the borrowing options presented: either a table with assumptions OR corresponding explanations in writing (OR both) © 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.) 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year, which contains the following;</p> <p>(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</p> <p>(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.</p> <p>© 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.)</p> <p>b) A review and comparison between the information (figures) contained in the assessment report of the SDSA-DMSR obtained from the DMO and the SDSA-DMSR obtained from the State Website was done.</p> <p>c) There were no differences identified.</p>		
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>		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<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) The IVA obtained a copy of the ACF from the State</p> <p>c) The Arrears Clearance Framework (ACF) was established on 23rd June, 2021.</p> <p>d) The duration of time between the establishment of the ACF and 31st December 2021 year-end, is adequate to allow time for the implementation of the ACF as observed in the state (SARVCR).</p>	Satisfactory	
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<p>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</p> <p>b) The evidence seen that shows that the ACF contains the stated requirements is sections 2 & 3 on pages 4-5, which contained the two requirements stated in (a) above. The</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>other document submitted by the state to confirm that the ACF exists is the SARVCR</p> <p>The cleared domestic arrears are consistent with the established ACF as regards:</p> <ul style="list-style-type: none"> i. Planned actions to settle expenditure arrears. ii. Prioritization of domestic expenditure arrears to be settled. <p>c) Other documents provided include; the Internal Domestic arrears database as at 2021; The Internal Domestic Arrears Database for Quarter 4 2020; the SARVCR for 2021; and Weblinks of Various published documents and dates they were published.</p>		
3	Has the ACF been published on a State official website?	<ul style="list-style-type: none"> a) The IVA confirmed that the ACF was published on the State official website at the time of verification. b) The IVA has downloaded a copy of the ACF for validation. c) Weblink - https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_8?ID=2021_3 IVA obtained and retained the IT back-end timestamp in the assessment file as evidence to confirm the date of publication. 	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>A walkthrough test was conducted using the ACF and the SARVCR to confirm the clearance of arrears by the State. The IVA observed that the process of domestic Debt reduction is</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		consistent with the ACF and the State's SARVCR as stated in Page 10 of the SARVCR. The result was that there was no inconsistency noted in the test carried out.		
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State has established an Internal Domestic Arrears Database.</p> <p>b) The Internal Domestic Arrears Database includes the following:</p> <ul style="list-style-type: none"> a. The aggregate and individual amounts of contractors' arrears. - ₦43,676,721,000.99 b. The aggregate amount of pension and gratuity arrears - ₦13,295,591,584.41 c. The aggregate amount of salary arrears and other staff claims- ₦50,043,183.62 d. The aggregate number of other types of domestic arrears is Judgement Debts - (Not Applicable). <p>c) The verification process of the consistency and accuracy of the information on the arrears database is in place.</p> <p>d) The IVA confirmed through the evidence provided (the Q4 Internal Domestic Arrears Database) that the State has conducted verification of arrears balances.</p> <p>e) The IVA conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, underlying contract data, etc.</p> <p>f) The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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) The IVA compared the aggregate and individual information available on the online publicly accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly accessible arrears database.</p> <p>c) The website supporting the online publicly-accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online and attaching supportive evidence of her claim, 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) The 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 observed from the test of the facility indicated that contractors with arrears (creditors) can report any omissions to the State.</p> <p>f) There was no valid omission reported by contractors in the year of assessment therefore no record was obtained.</p> <p>g) There was no valid omission of contractors to the internal domestic arrears database</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations							
		h) The source of information is the State DMO, (i.e., the web link - https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_8												
7.	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears.</p> <p>2) the aggregate amount of pension and gratuity arrears.</p> <p>3) the aggregate amount of salary arrears and other staff claims.</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	<p>The online publication includes the aggregate amount for the three types of arrears which includes:</p> <p>(a) The aggregate amount of contractors' arrears - ₦43,676,721,000.99</p> <p>(b) The aggregate amount of pension and gratuity arrears - ₦13,795,593,584.41</p> <p>(c) The aggregate amount of salary arrears and other staff claims - ₦50,043,183.62.</p> <p>(d) The State does not have other types of domestic arrears e.g - Judgement Debts -</p> <p>The online publication contains the names of contractors owed ₦20m in arrears and above.</p> <p>The source of information for the details above is from the weblink.: https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_8?ID=2021_</p>				Satisfactory								
8.	<p>Has the State met the following?</p> <p>(i) Percentage decline in the verified stock of 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>48,676,721,000.99</td> <td>48,982,876,320.99</td> <td>- 0.63%</td> </tr> </tbody> </table>	Aggregate Amount of:	2021 (₦)	2020 (₦)	Diff. (%)	Contractors Arrears	48,676,721,000.99	48,982,876,320.99	- 0.63%			Unsatisfactory	
Aggregate Amount of:	2021 (₦)	2020 (₦)	Diff. (%)											
Contractors Arrears	48,676,721,000.99	48,982,876,320.99	- 0.63%											

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
<p>arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p>Basic target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch target: More than 20 percent decline</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.</i></p>	Pension and Gratuity arrears	15,295,591,584.41	15,771,552,684.41	-	3.02%		
	Salary arrears and Staff claims	50,041,183.62	55,043,444.87		9.09%		
	Judgment Debt	0	0				
	Other types of domestic expenditure arrears (SEVERANCE ARREARS).	0	0	0			
	Total Domestic Arrears	64,022,353,769.02	64,809,472,450.27	11	%		
	<p>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> $\frac{\text{N}64,809,472,450.27 - \text{N}64,022,353,769.02}{\text{N}64,022,353,769.02} \times 100$ $= 1.21\%$ <p>The percentage decline is 1.21%</p> <p>Source: State internal domestic expenditure arrears database</p>						
DLI 9: Improved Debt Sustainability							

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																		
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%] -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>144,129,415,153.12</td> <td>160,858,935,590.36</td> </tr> <tr> <td>Total External Debts</td> <td>34,547,577,621.03</td> <td>34,547,577,621.03</td> </tr> <tr> <td>Total Public Debts</td> <td>178,676,992,774.15</td> <td>195,406,513,211.39</td> </tr> </tbody> </table> <p>Total annual revenue</p> <table border="1"> <tbody> <tr> <td>2021 Adjusted IGR (see DLI 4.2)</td> <td>20,153,763,913</td> </tr> <tr> <td>Gross FAAC Allocation</td> <td>72,109,220,086</td> </tr> <tr> <td>Grants</td> <td>4,638,260,457</td> </tr> </tbody> </table>		Financial Statements (₦)	DMO/SDEDR Figures (₦)	Total Domestic Debts	144,129,415,153.12	160,858,935,590.36	Total External Debts	34,547,577,621.03	34,547,577,621.03	Total Public Debts	178,676,992,774.15	195,406,513,211.39	2021 Adjusted IGR (see DLI 4.2)	20,153,763,913	Gross FAAC Allocation	72,109,220,086	Grants	4,638,260,457	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	144,129,415,153.12	160,858,935,590.36																				
Total External Debts	34,547,577,621.03	34,547,577,621.03																				
Total Public Debts	178,676,992,774.15	195,406,513,211.39																				
2021 Adjusted IGR (see DLI 4.2)	20,153,763,913																					
Gross FAAC Allocation	72,109,220,086																					
Grants	4,638,260,457																					

Disbursement Linked Indicators (DLIs) and Tests	Findings		Conclusion	Recommendations				
	<table border="1"> <tr> <td data-bbox="233 237 648 289">Other Revenues</td> <td data-bbox="653 237 1428 289">6,670,697,434</td> </tr> <tr> <td data-bbox="233 289 648 344">Total Revenue</td> <td data-bbox="653 289 1428 344">103,571,941,890</td> </tr> </table>	Other Revenues	6,670,697,434	Total Revenue	103,571,941,890			
Other Revenues	6,670,697,434							
Total Revenue	103,571,941,890							
	<p>a. The State’s domestic debt stock figure in the Federal DMO has been obtained and IVA confirmed that the 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 contained in the 2021 AFS, as follows:</p> <p>AFS COMPUTATION</p> $\frac{\text{₱}178,676,992,774.15 \times 100}{\text{₱}103,571,941,890.00} = 172.5\%$ <p>DMO COMPUTATION</p> $\frac{\text{₱}195,406,513,211.39 \times 100}{\text{₱}103,571,941,890.00} = 188.67\%$ <p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year as contained in the 2021 AFS, as follows:</p> $\frac{\text{₱}11,703,083,792 \times 100}{\text{₱}76,918,847,049} = 15.21\%$							

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<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 15. 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 IMO STATE

S/N	IMO STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	22,021,729,672.49
2	BAIL OUT (SALARIES) (SOURCE CBN)	25,570,848,925.15
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	33,310,645,757.01
4	EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,815,582,615.62
5	STATE BONDS	-
6	COMMERCIAL BANK LOANS	-
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	-
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	-
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	-
11	HEALTHCARE DEDUCTIONS	2,240,368,197.71
12	BRIDGE FINANCE FACILITY	3,053,241,757.40
13	FAMILY HOMES FUND	-
14	ANCHOR BORROWERS PROGRAMME	102,497,353.88
15	OTHER FGN INTERVENTIONS	-
16	MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF)	721,665,542.09
17	JUDGEMENT DEBTS	-

S/N	IMO STATE	2021 - AMOUNT (₦)
18	GOVT - GOVT DEBTS	-
19	CONTRACTORS' ARREARS	48,676,721,000.99
20	PENSION AND GRATUITY ARREARS	15,295,591,584.41
21	SALARY ARREARS AND OTHER CLAIMS	50,043,183.62
22	OTHER DEBTS	-
	TOTAL DOMESTIC DEBT (TDD)	160,858,935,590.36
	TOTAL EXTERNAL DEBT (TED)	34,547,577,621.03
	TOTAL PUBLIC DEBT (TED+TDD)	195,406,513,211.39

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

TEMPLATE: OPTION A	₦
Item	2021
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	72,109,220,086
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	50,465,576,118
1.1.1 Gross statutory allocation	50,465,576,118
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	
1.2 VAT	21,643,643,969
2. Internally Generated Revenues (IGR) - Adjusted	20,153,763,913
3. Grants (internal and external)	4,638,260,457
4A. Other revenues (4.1 + 4.2 + 4.3)	6,670,697,434
4.1 Investment Income (e.g. dividends)	320,113,500
4.2 Interest Earned	
4.3 Miscellaneous	6,350,583,934
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	103,571,941,890

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><u>DLI2.2</u></p> <p>Sequel to our response to DLI2.2 APA issue (APA issue 12 IVA for Imo State) Section 12.4 of that report has the State response which provided the link as required by IVA. The document includes the presentation of 2020 Audited Financial Statement to the public.</p> <p>Although the protocol does not specify the appropriate medium, however, the minutes of public presentation of the 2020 Audited Financial Statements and CAR was earlier attached in reference to IVA earlier request for 2.2 and is available at https://www.imostate.gov.ng/IMSG/Common/Services/SFTAS_2?ID=2021_24 . The IVA protocol is that the Citizens Accountability Report based on the Annual Audit Report (2020) document should be published on the State website, The Citizens Accountability Report based on the Annual Audit Report (2020) was published before the date on 28/09/2021. The link where the CAR was published is Imo State government official website.</p>	<p>IVA notes the State’s response.</p> <p>This has been included in the report.</p>
2	<p><u>6.2</u></p> <p>The Capital expenditure of N39.9bn reported in the 2021 AFS represented payments for different contracts most of which predated the period qualifying for publishing, depending on valuation certificates. The figure of N5.6bn published online accounted for contracts that satisfied the provisions of the State Procurement Law with regards to publishing. Sections 44 & 45 of the Imo State Procurement Law provide for emergency procurement. Section 45(4) provides that “immediately after the cessation of the situation warranting any emergency Procurement, the procuring entity shall file a detailed report thereof with the Procurement Bureau which shall verify same and if appropriate, issue Certificate of “ No Objection”</p>	<p>IVA notes the State’s response.</p> <p>This has been included in the report.</p> <p>However, the E-procurement links did not provide sufficient evidence to show it was used for the State’s procurement activities in the period under review.</p>

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>Consequently, all emergency roads and other infrastructure contracts awarded in 2021 for which interim payments may have been made would not be published by the Bureau on the State website until it receives reports from the awarding MDAs, verifies same and issues relevant Certificate of No Objection. This position of the Law will naturally bring disequilibrium between the amount reported in the 2021 AFS and amounts published by the Bureau.</p> <p>Secondly, the response of the State on this difference between the reported figure in the AFS and published amount had been considered in favour of the State. You may see the Imo State 2021 APA Issue –3 as forwarded herein after.</p> <p>Link to eprocurement website</p> <p>The Imo State e procurement website was reviewed by NGF before deadline and was okayed. The link to the e-procurement portal is</p> <p>https://bpppi.imostate.gov.ng/</p> <p>Links to other key components of the eprocurement platform includes:</p> <p>Procurement plan:</p> <p>https://bpppi.imostate.gov.ng/Content/Procurement?ID=1</p> <p><u>Tender: Bid videos. Reports and minutes:</u></p> <p>https://bpppi.imostate.gov.ng/Content/Contracts?handler=bid_Videos</p>	

S/N	State Response to the draft report	IVA Follow-up, response, treatment						
	<p><u>Tender Adverts:</u> https://bpppi.imostate.gov.ng/Content/Contracts?handler=Read%20Minutes</p> <p><u>Tender Reports:</u> https://bpppi.imostate.gov.ng/Content/Contracts?handler=Read%20Minutes</p>							
3	<p><u>DLI8</u></p> <p>We are protesting and requesting the review of DLI8: Improved clearance of domestic stock arrears.</p> <p>REQUEST FOR REVIEW OF CONCLUSION ON DLI 8</p> <p>Apart from the two pending issues highlighted by the IVA for the State to respond, the State will request the IVA to review its position on DLI 8 which is about Improved clearance/reduction of stock of domestic expenditure arrears. <i>The protocol guides that the State should at least reduce the verified stock of domestic arrears (contractors' arrears, pension and gratuity arrears, and salary arrears) at end 2021 to 5 percent decline of the 2020 figure or maintain stock below 5 billion naira.</i></p> <p>While the verified stock domestic arrears in FY2020 was N64,809,472,450.27, the State's verified stock domestic arrears for FY2021 was N57,522,357,769.02, having a reduction of N7,287,114,681.25 this represents about 11.23% reduction. Please refer Note 23 of 2021 Audited Financial Statement, and a copy of Imo State Total Debt as a Share of Total Revenue submitted to the IVA Copy is also attached here.</p> <table border="1" data-bbox="283 1258 1430 1404"> <thead> <tr> <th data-bbox="283 1258 856 1312">Domestic Debt stock</th> <th data-bbox="856 1258 1430 1312">2021 Closing Balance</th> </tr> </thead> <tbody> <tr> <td data-bbox="283 1312 856 1365">Pension and Gratuity due</td> <td data-bbox="856 1312 1430 1365">13,795,593,584.41</td> </tr> <tr> <td data-bbox="283 1365 856 1404">Outstanding Contractors' Liabilities</td> <td data-bbox="856 1365 1430 1404">43,676,721,000.99</td> </tr> </tbody> </table>	Domestic Debt stock	2021 Closing Balance	Pension and Gratuity due	13,795,593,584.41	Outstanding Contractors' Liabilities	43,676,721,000.99	<p>IVA Notes the State's response and its efforts to reconcile the State's debt records with the Federal DMO.</p> <p>The debt records used for DLI 8 were obtained directly from the State's Audited Financial Statements and as such, the findings remain valid.</p>
Domestic Debt stock	2021 Closing Balance							
Pension and Gratuity due	13,795,593,584.41							
Outstanding Contractors' Liabilities	43,676,721,000.99							

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	Others (Salary Claim)	50,043,183.62
	TOTAL	57,522,357,769.02

Whereas there could be discrepancy between the State's figures and the Debt Management Office figure relating the verified stock of domestic arrears, the two bodies are in reconciliatory process.

The State hereby request the IVA to review its position with respect to DLI 8.

Below is the published Imo State as a share of total revenue as at 31st December, 2021

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**IMO STATE TOTAL DEBT AS A SHARE OF TOTAL REVENUE
AS AT 31ST DECEMBER 2021**

DEBT CATEGORY	S/N	SOURCES/DEBT	DATE	ORIGINAL AMOUNT ₦	LOAN TENOR (MONTH)	(2021) DISBURSED OUTSTANDING/ BAL. ₦
A: DOMESTIC DEBT STOCK:	1	SALARY BAIL-OUT (FIDELITY & ZENITH BANK)	26-AUG-2015 & 01-SEP-2015	26,806,430,000.00	240	23,779,192,996.49
	2	BUDGET SUPPORT FUND	25-OCT-2019	17,569,000,000.00	360	17,427,896,616.56
	3	FGN BOND (RESTRUCTURED COMM. BANKS LOANS)	SEP-2015	37,116,172,073.53	226	33,310,645,756.80
	4	EXCESS CRUDE LOAN	01-JUN-2016	10,000,000,000.00	240	9,052,068,977.52
	5	CBN MSME DEVELOPMENT FUND	DEC. 2016 & JUL-2018	2,000,000,000.00		721,665,542.09
	6	CBN HEALTHCARE INTERVENTION FUND	AUG-2021	2,500,000,000.00	120	2,240,368,197.71
	7	CONTRACTUAL LIABILITIES				43,676,721,000.99
	8	PENSION & GRATUITY ARREARS				13,795,593,584.41
	9	SALARY ARREARS				50,043,183.62
		TOTAL DOMESTIC DEBT				144,054,195,856.19
B: EXTERNAL DEBT STOCK:	1	INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)				19,385,374,737.81
	2	AFRICAN DEVELOPMENT BANK (AfDB)				886,427,727.38
	3	EUROPEAN DEVELOPMENT FUND (EDF)				2,164,584,985.61
	4	INTERNATIONAL FUND FOR AGRICULTURAL DEV. (IFAD)				318,208,716.53
	5	FRENCH DEVELOPMENT AGENCY (AFD)				11,792,981,453.70
		TOTAL EXTERNAL DEBT				34,547,577,621.03
		TOTAL PUBLIC DEBT STOCK (A + B)				178,601,773,477.22
C: TOTAL REVENUE:	1	TOTAL STATUTORY ALLOCATION				72,109,220,086.32
	2	TOTAL INDEPENDENT REVENUE (IGR)				20,331,926,563.45
	3	TOTAL CAPITAL RECEIPTS				48,204,374,812.51
		TOTAL REVENUE				140,645,521,462.28

DLI 9: IMPROVED DEBT SUSTAINABILITY (TOTAL PUBLIC DEBT STOCK/ TOTAL REVENUE (in %) = 127%


OLUJIYI OLUOGBENIGA AMOS
 FOR: DMO

