



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

2021 Annual Performance Assessment (APA) Report

ONDO STATE

By:

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



FINAL REPORT

DECEMBER 2022

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1. Executive Summary

This report details the outcome of the Annual Performance Assessment (APA) conducted on Ondo 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 Ondo State and shows areas where the State was able to achieve results. In total, Ondo State achieved 12 (Twelve) DLRs out of 15 DLRs applicable to the 2021 APA of which 3 (Three) DLRs were achieved in the 2018 and 2019 APAs.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY21 quarterly budget implementation reports for Q1, Q2, Q3 and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY21 deviation for total approved original budget expenditure is < 15%		Budget deviation was 32.51%
DLI 2: Increased openness and citizens' engagement in the budget process	DLR 2.1: Citizens' inputs from formal public consultations are published online, along with the proposed FY2022 budget and citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms.		
	DLR 2.2: Citizen's Accountability Reports based on audited financial statements /reports are summarized and comprehensible versions of the audited statements and details of State government public consultations with citizens presenting the annual financial statements should be made available on the state official website (s) by 30th September of each subsequent financial year.		
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 80 percent of state government finances.		The State TSA did not cover a minimum of 80% of the Government finances.
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	2019	
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target -Basic target: 20%-39% -Stretch target: 40% or more	Basic Target Met	
DLI 5: Biometric registration and Bank Verification 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	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-	2019	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
value for money	Procurement; 2) Establishment of an independent procurement regulatory agency; and 3) Cover all MDAs receiving funds from the state budget		
	6.2 No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs AND For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available		
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.	2018	
	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 State has not established Internal Domestic Arrears Database
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021 AND Total debt stock at end of December 2021 as a share of total revenue for FY2021 meets target: Basic target: < 120%, Stretch target: < 95%.	Basic Target Met	

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

1. **DLR 1.2:** Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
2. **DLR 3.0** Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.
3. **DLR 8:** Establish an internal domestic arrears database with relevant balances is placed online through a publicly accessible portal.

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.

2.2 Scope

This Annual Performance Assessment (APA) Report covers the State’s performance in 2021 against the Disbursement Linked Results (DLRs) listed within the SFTAS DLI Matrix, guidelines, and verification protocol. Each State was earlier assessed against the Eligibility Criteria set in the protocol, to determine the state’s eligibility for grants under the 2021 APA.

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitized on the requirements of the program and the protocol for 2021. The assessment results are binary (Achieved or Not Achieve), 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 *18/07/2022 and 23/07/2022* with a team of 6 persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each State was given a further opportunity to provide clarifications and/or additional information.

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2021] quarterly budget implementation reports published on average within [4 weeks] of quarter end to enable timely budget management		Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	<p>The Quarterly budget implementation reports were posted online on</p> <p>Q1- 2021 http://ondobudget.org/materials/2021%201ST%20QUARTER%20IMPL.%20APPRAISAL.pdf</p> <p>Q2- 2021 https://ondobudget.org/materials/2021%20MID-YEAR%20BUDGET%20IMPLEMENTATION%20APPRAISAL-1.pdf</p> <p>Q3- 2021 http://ondobudget.org/materials/2021%203RD%20QUARTER%20IMPLIMENTATION%20APPRAISAL.pdf</p> <p>Q4- 2021 http://ondobudget.org/materials/2021%20FULL%20YEAR%20IMPLIMENTATION%20APPRAISAL.pdf</p> <p>The State website was accessed on 18/07/2022</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Dates of online publication are as follows:</p> <ul style="list-style-type: none"> ● Q1 – (26/04/2021) - 3.7 weeks (26 days) ● Q2 – (26/07/2021) - 3.7 weeks (26 days) ● Q3 – (25/10/2021) - 3.6 weeks (25 days) ● Q4 – (27/01/2022) - 3.9 weeks (27 days) <p>Average days (weeks) for the online publication was computed based on the last 4 quarters, as below:</p> $\frac{26+26+25+27}{4}$ <p>Average = <u>26 days (3.7 weeks)</u></p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2021, obtained and retained evidence of the timestamp of the publications.</p>		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each MDA as well as the actual cumulative expenditures for the year to date, and balances against each of the revenue and	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State's website (see web links above) we observed the following:</p> <ol style="list-style-type: none"> a) Upon review, the reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others) b) Based on review, the cumulative expenditures for the year to date was included in the report and the actual expenditures for the quarter, but the actual expenditures quarter was included in a separate page. The IVA raised an APA issue report. c) Upon review of the Budget implementation reports, the IVA observed that the reports included the balances against each of the revenue and expenditure appropriations, they are called variances in the state budget implementation report. d) The IVA confirmed that there is no amended/revised or passed supplementary budget. e) Upon review, the IVA confirmed that the budget 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	expenditure appropriations.	<p>implementation reports showed the original 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 actual cumulative expenditures for the year to date?	The IVA reviewed the State's Budget Performance/implementation reports and confirmed that the report included the actual expenditures for each quarter attributed to each MDA, each expenditure classification, as well as the actual cumulative expenditures for the year to date.	Satisfactory	
4	Does the report state balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications?	The State's Budget Performance reports shows the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which includes debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory	
DLR 1.2	FY [2021] deviation from total approved budget		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	expenditure is less than 15%															
1	<p>Has the State computed the difference between the Original/Approved total budgeted expenditure for the fiscal/calendar year 2021 and the actual total expenditure in the fiscal/calendar year 2021, divided by the Original approved total budgeted expenditure and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 15%</p>	<p>The State computed the budget deviation for 2021 to be 31.7%</p> <p>The IVA computed the budget deviation for this APA year. See the computation below:</p> <table border="1"> <thead> <tr> <th></th> <th>Total Approved Budget (₱)</th> <th>Actual Outturn (₱)</th> </tr> </thead> <tbody> <tr> <td>Capital Exp. (pages XXVIII & 24)</td> <td>69,915,484,355.59</td> <td>27,596,867,232.02</td> </tr> <tr> <td>Rec. Exp. (pages XXVIII & 24)</td> <td>104,957,821,169.73</td> <td>90,419,604,009.94</td> </tr> <tr> <td>Total</td> <td>174,873,305,525.32</td> <td>118,016,471,241.96</td> </tr> </tbody> </table> $\frac{\text{₱ } 174,873,305,525.32 - \text{₱ } 118,016,471,241.96}{\text{₱ } 174,873,305,525.32} \times 100$ $= 32.51\%$ <p>The budget performance deviation is 32.51%</p> <p>Source: 2021 Audited Financial Statement Pg. 24 and Approved Budget and Actual Expenditure or Appropriation Law Pg. XXVIII</p> <p>Upon review, the IVA confirmed that the approved annual budget figures shown in the AFS does not differ from the signed approved budget/appropriation.</p> <p>Upon review, the IVA confirmed that the values used in the AFS agreed with both the online publication and the hard copy.</p>		Total Approved Budget (₱)	Actual Outturn (₱)	Capital Exp. (pages XXVIII & 24)	69,915,484,355.59	27,596,867,232.02	Rec. Exp. (pages XXVIII & 24)	104,957,821,169.73	90,419,604,009.94	Total	174,873,305,525.32	118,016,471,241.96	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below 15%.
	Total Approved Budget (₱)	Actual Outturn (₱)														
Capital Exp. (pages XXVIII & 24)	69,915,484,355.59	27,596,867,232.02														
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																											
		<p>The Breakdown of the Actual Recurrent Expenditure is as follows;</p> <table border="1"> <tr> <td>Recurrent Expenditure:</td> <td></td> <td></td> </tr> <tr> <td>Total Outflow from operating activities (a)</td> <td>₦92,135,006,594.28</td> <td></td> </tr> <tr> <td>Less Total Non Cash Items (Amortization Charges) (b)</td> <td>(₦17,109,662,229.25)</td> <td></td> </tr> <tr> <td>Total (a-b)</td> <td></td> <td>75,025,344,365.03</td> </tr> <tr> <td>Add Back Other Cash Items</td> <td></td> <td></td> </tr> <tr> <td>Long Term Borrowings (Repayments)</td> <td>13,636,485,989.77</td> <td></td> </tr> <tr> <td>Finance Charge</td> <td>1,757,773,655.14</td> <td></td> </tr> <tr> <td>Total Items to add back</td> <td></td> <td>15,394,259,644.91</td> </tr> <tr> <td>Total</td> <td></td> <td>90,419,604,009.94</td> </tr> </table>	Recurrent Expenditure:			Total Outflow from operating activities (a)	₦92,135,006,594.28		Less Total Non Cash Items (Amortization Charges) (b)	(₦17,109,662,229.25)		Total (a-b)		75,025,344,365.03	Add Back Other Cash Items			Long Term Borrowings (Repayments)	13,636,485,989.77		Finance Charge	1,757,773,655.14		Total Items to add back		15,394,259,644.91	Total		90,419,604,009.94		
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DLI 2: Increased Openness and Citizens' Engagement in the Budget Process																															
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget AND Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms		Achieved																												

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
1	Did the State conduct at least one “town-hall” consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	<p>IVA obtained and reviewed the following documents: Seven Minutes of town hall meetings organized in various areas, pictures of participants, videos, hard copy of attendance list (with names, organization as well as the proposed budget).</p> <p>a) LGAs in attendance were Ilaje LGA, Okitipupa, Akure South, Akure North, Ifedore, Akoko Northeast, Ondo West.</p> <p>b) Civil Society Organisation (CSOs) were represented at the consultative meeting. The names of the CSOs and the Organisations they represent are: Egbukuyomi A.-Representatives of Farmers Congress, Isesanmi Omosaye-jps Chairman Artisan, Alhaji Ibrahim- Federation of Muslim, Joel Samuel Feyisola Sunshine Progrssive Youth Alliance, Arolunmola Rachiel- HANDEF Com. Rotimi Olaniyi - Nulge chairperson and CBOs in attendance are: Adeosun J.O.J- Community Heritage Watch for Development initiative, Toyin Mofikoya-Luy Rotimi Development Foundation, Oyemigbelin Sam -Transcend Advocacy Initiative, Francline O Ioniju -Life and Peace Development Initiative</p> <p>c) IVA obtained information from minutes of public consultations, hard copy of attendance list with names, phone numbers, questionnaires pictures and video</p> <p>d) The dates and the venue of the consultations are:</p> <ul style="list-style-type: none"> ● 10th August 2021 at the conference hall, Ministry of Economic Planning and Budget ● 11th August 2021 at the conference hall, Ministry of Economic Planning and Budget ● 12th August 2021 at Babafunke Ajasin auditorium ● 16th August 2021 at the Secretariat hall of Akoko North-East Local Government, Ikare-Akoko 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> ● 18th August 2021 at Secretariat hall Owo Local Government, Owo ● 20th August 2021 at Ondo west Local Government, ● 23rd August, 2021 at Legislative building, Okitipupa Local Government, Okitipupa on ● 25th August 2021 at Babfunke Ajasin Auditorium, Igbatoro, Akure. <p>e) 10 attendees were called to confirm their attendance at the public consultation.</p> <p>f) The date of the draft budget was 28th September 2021 and the public consultations were 10th -18th August 2021, 20th, 23rd and 25th August 2021. IVA obtained a copy of the covering letter/ Governor's speech delivered to the Ondo State House of Assembly as the evidence of the date of the draft budget.</p> <p>g) The dates of the consultations were 10th -18th August 2021, 20th, 23rd and 25th August 2021 while the date of the draft budget is 28th September 2021, this shows that consultations came first.</p> <p>h) The date of online publication of the proposed budget is 30th September 2021.</p> <p>i) It was published before the deadline of 31 January 2022.</p> <p>j) The web link to the publication of the proposed budget is https://ondobudget.org/year_budget/year_2022/2022%20budget%20for%20odha.xlsx This was accessed on (18/07/2022).</p>		
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the	a) The names of some of the CSOs that co-signed the Minutes are: Egbukuyomi A, Isesanmi Omosaye, Com. Rotimi Olaniyi, Mr Great Sheyi Akintunde, Anaroba Omotayo, Johnson Oluduro, Com. Shittu Buhari Kayode. Copies of the signed minutes have	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2022 to enable citizens to find the inputs easily?</p>	<p>been retained on file.</p> <p>b) The title and date of the Minutes are:</p> <ol style="list-style-type: none"> 1. Report of the Consultative Meeting with Coalition of Civil Society Organisations, Non-Governmental Organisations and Community Based Organisations in Ondo State on 2022-2024 MTF and 2022 Budget held in the Conference Hall, Ministry of Economic Planning and Budget on 10th August, 2021. 2. Report of The Consultative Meeting with Coalition of Organised Private Sectors, Trade Unions and Professional Bodies in Ondo State on 2022-2024 MTEF and 2022 Budget held in the Conference Hall, Ministry of Economic Planning and Budget on 11th August, 2021. 3. Report of the Consultative Meeting with Coalition of Student Bodies, Women Organisations, Youth Groups and Vulnerable Groups in Ondo State on 2022-2024 MTEF and 2022 Budget held in Babafunke Ajasin Auditorium on 12th August 2021. 4. Report of The Consultative Meeting with Coalition of Akoko North-East, Akoko North-West, Akoko South-East and Akoko South-West Local Government Areas in Ondo State on 2022-2024 MTEF and 2022 Budget held at the Secretariat Hall of Akoko North-East Local Government, Ikare-Akoko On 16th August 2021. 5. Report of the Consultative Meeting with the Representatives of the People in Ose and Owo Local Government Areas of the State on 2022-2024 MTEF and 2022 Budget Held at Secretariat Hall Owo Local Government, Owo on 18th August, 2021. 6. Report of The Consultative Meeting with the Representatives of the People in Ondo East, Ondo West, Ile-Oluji/Okeigbo and Odigbo Local Government 		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Areas of the State on 2022-2024 MTEF and 2022 Budget held at Ondo West Local Government, Ondo on 20th August 2021.</p> <p>7.Report of the Consultative Meeting with the Representatives of the People in Okitipupa , Irele, Ilaje and Ese-Odo Local Government Areas of the State on 2022-2024 MTEF and 2022 Budget held at Legislative Building, Okitipupa Local Government, Okitipupa on 23rd August, 2021.</p> <p>8.Report of the Consultative Meeting with the Representatives of the People in Akure South, Akure North, Idanre and Ifedore Local Government Areas of the State on 2022-2024 MTEF and 2022 Budget held at Babafunke Ajasin Auditorium, Igbatoro, Akure on 25th August, 2021.</p> <p>c) The signatories represented the following organisations: Farmers Congress, Sunshine Progressive Youth Alliance, HANDEF, Artisans, NASSI, and NULGE.</p> <p>d) The weblinks to the publications are: https://ondobudget.org/e-budget/admin/budget_participation/participation_ima/STUDENT%20BODIES%20AND%20WOMEN%20ORGANISATION.pdf https://ondobudget.org/e-budget/admin/budget_participation/participation_ima/AKOKO%20LGs.pdf https://ondobudget.org/e-budget/admin/budget_participation/participation_ima/AKURE%20SOUTH,%20AKURE%20NORTH,%20IDANRE,%20IFEDORE%20LGs.pdf https://ondobudget.org/e-budget/admin/budget_participation/participation_ima/</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>OKITIPUPA,%20IRELE,%20ILAJE%20&%20ESE-ODO%20LGs.pdf</p> <p>https://ondobudget.org/e-budget/admin/budget_participation/participation_ima/OWO%20AND%20OSE%20LGs.docx.pdf</p> <p>https://ondobudget.org/e-budget/admin/budget_participation/participation_ima/ORGANISED%20PRIVATE%20SECTOR.pdf</p> <p>and date of publication (31/01/2022). This was accessed on (18/07/2022).</p> <p>e) The published minutes were adequately sign-posted on the website.</p>		
3	Has the State published online, on the State website(s) a Citizens Budget based on the Approved Budget (2021) not later than 30 April 2021?	<p>a) The Citizens budget based on the Approved Budget (2021) was published on 29th January 2021 via https://ondobudget.org/citizen_budget/Updated%202021%20Ondo%20State%20Citizens%20Budget.pdf This was done before the due date and was accessed on 18/07/2022</p> <p>b) A comparison of the Approved Budget with the Citizens Budget was done. IVA confirmed that there were no significant areas of discrepancies.</p> <p>c) IVA Confirmed that the Citizens budget was prepared in the format suggested to the States in the Citizens Budget User Manual and excel template. There was no discrepancies.</p> <p>c) A review of the annual Budget /Citizens Budget showed simple explanation of the annual Budget /Citizen as seen on (page 2)</p> <p>i. The sources of revenues was seen (on page 5-6)</p> <p>ii. Sources of domestic and foreign grants, domestic</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>loans, and other financing sources (Page 5)</p> <p>iii. Total expenditure by economic classifications (page 10)</p> <p>iv. The total revenue and grants, total expenditures, budget deficit, budget financing, and financing gap. (Page 5)</p> <p>v. Disclosure of Budget deficit (if any) and how it will be financed page 3, it will be financed through Internal and External loan (Page 13-17).</p> <p>vi. Sectoral Allocation (by MDAs).(page 12-13)</p> <p>vii. Top Projects to be financed (at least 5).as seen on (page 10-11)</p> <p>1.Construction of new Road and Deputy Governors lodge</p> <p>2.Dualization of shoprite -Oda Town</p> <p>3.SUBEB Construction (GCCC)</p> <p>4.Construction / Renovation of primary Schools</p> <p>5.ENDSARS protest Reconstruction programme.</p> <p>d) The information outlined above was extracted from the Citizen Budget User Manual and Template has been included</p> <p>e) The suggested format was used.</p>		
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	<p>a) The Citizens Budget included an explanation of the key components /information in the Approved FY21 Budget</p> <p>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?	<p>a) Ondo State has established functional feedback and response online mechanisms on its website.</p> <p>b) The type of feedback mechanism established on the State website is an online feedback submission form.</p> <p>c) The State's feedback mechanism provides the following:</p> <p>i. Acknowledgement of receipt of comments/feedbacks</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>from citizens.</p> <p>ii. State's responses to comments/feedbacks.</p> <p>iii. Display of timeframe and the State's government contact details.</p> <p>IVA obtained evidence such as screenshot of items i to iii</p> <p>d) A test was carried out on the feedback mechanism, and this confirmed its functionality. A walkthrough test was conducted, guided by the States personnel, IVA sent a message through the feedback mechanism and an acknowledgement was received. The screenshot of the message and the response was obtained and retained.</p> <p>e) The State Ministry of finance demonstrated how they had responded to feedback and comments in the past. A screen shot of the response has been obtained and retained in the file.</p> <p>f) The IVA confirmed that the State's feedback mechanism is functional.</p> <p>g) The weblink is inserted below: https://ondostate.gov.ng/index.php/contact/</p> <p>The State also has "Citizens' feedback on budget" which is a Google form link that is found under the weblink: http://www.ondobudget.org/citizen_participation.php</p>		
DLR 2.2	Citizen's Accountability Report based on audited financial statements/report published online for FY2020 not later than 30th September 2021.		Achieved	
1	Did the State prepare the Citizens Accountability Report to explain the full	<p>a) The Citizen's Accountability Report has been downloaded.</p> <p>b) The IVA reviewed the downloaded copy of the Citizens</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	Annual Audit Report in a summarized form?	<p>Accountability Report.</p> <p>c) The date of publication of the Citizens Accountability Report was on 30th September 2021. A copy of the report was retained on the assessment file.</p> <p>d) The full Annual Audit Report for the year 2020 has been compared with the Citizen's Accountability Report. The areas of discrepancies are:</p> <p>Total Revenue: AFS Actual 2020 was N134,470,155,940.37 (Page 9AFS) while the CAR Actual 2020 was N153,275,355,321 (page 5 CAR) Variance: N18,805,199,380.63</p> <p>Expenditure: Personnel AFS Actual was N38,100,745,402.92 (Page 11)</p> <p>Personnel CAR Actual was N48,450,120,182</p> <p>Variance 10,349,374,779.08 while</p> <p>AFS 2020 Budget Figure for personnel was N40,059,974,547.92 (Page 11)</p> <p>CAR Budgeted figure for personnel was 50,710,774,548 (Page 5).</p> <p>e) There was no evidence of Public Consultation done by the State to explain the FY2020 Financial statement to its Citizen, an APA issue was sent to the State and the State has responded by providing the link to the evidence and details of public consultation. IVA has reviewed the evidence of public consultations with Citizens to explain the FY2020 financial statement</p>		
2	Has the State published a Citizens Accountability Report based on the Annual Financial	a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published on 30th September 2021 vide https://oag.on.gov.ng/2021/09/30/ondo-state-citizen-accountability-report/ and accessed by IVA	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>statements/ Audit Report for FY 2020 not later than 30 September 2021?</p>	<p>on (18/07/2022).</p> <p>b) A comparison of the Annual Audit Report FY2020 with the Citizens Accountability Report 2020 was done. The areas of discrepancies with the figure in the CAR and AFS are as follows:</p> <p>Total Revenue: AFS Actual 2020 N134,470,155,940.37 (Page 9 AFS) while the CAR Actual 2020 was N153,275,355,321 (Page 5 CAR)</p> <p>Expenditure:</p> <p>Personnel AFS Actual was N38,100,745,402.92 (page 11) Personnel CAR Actual was N48,450,120,182 while AFS 2020 Budgeted Figure was N40,059,974,547.92 (Page11)</p> <p>CAR Budgeted figure was 50,710,774,548 (page5) An APA issue was raised.</p> <p>c) The IVA compared the Citizens Accountability Report with the suggested format provided to the States which showed that the State prepared the Citizen Accountability report with the suggested format.</p> <ul style="list-style-type: none"> i) A review of the Citizen Accountability report showed simple explanation of the annual Citizens Accountability Report and the Executive summary as seen on (pages 2-3) ii) The Budget Outturn (pages 4- 5) iii)The Revenue Outturn (pages 6-9). iv)The Expenditure Outturn as seen on (pages 10-13) v)The Audit Findings (pages 14-15) vi) The Audited Financial Statements (pages 16) vii)Top Sectoral Allocations (page 18) viii)Top Value Capital Projects (pages 25-26) 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>ix) Citizens-Nominated Projects- Implementation Status Report (pages 27-28)</p> <p>c) The minimum required citizen's accountability report information outlined above (extracted from the Template) has been included.</p> <p>f) The suggested format was used.</p>		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	<p>a) The IVA observed Citizen's Accountability Report was presented in a summarized manner the Audited Financial Statement or Annual Audit Report FY 2020.</p> <p>b) The Citizens Accountability Report included a concise explanation of the key components of the FY2020 Audited Financial Statements as seen on page 2</p> <p>c) IVA observed that the public consultation to explain to the citizen FY2020 Financial statements was not held because evidence and details of public consultation were not made available nor published online. However, an APA issue was sent to the State and the State has responded by providing the link to the evidence and details of public consultation.</p> <p>d) We confirmed that the FY20 Annual Audit Report or Audited Financial Statement was summarized in a comprehensible manner to the Citizens in the Citizens Accountability Report. We further confirmed that the CAR was published online by the deadline and presented at a public consultation held on 25th August 2021.</p>	Satisfactory	
DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	Improved cash management and reduced revenue leakages through the		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	implementation of State TSA			
1	Has the State established a functional State-level TSA?	<p>a. The State has not established a functional State-level TSA.</p> <p>b. The State operates multiple accounts model for:</p> <ul style="list-style-type: none"> ● IGR Main Account: First Bank, ODSG CONSOLIDATED REVENUE Account Number: 2002084301. ● FAAC Account: United Bank for Africa, ODSG Federation Account Allocation Committee (FAAC) Account No. 1021007722. ● VAT Account: Sterling Bank ODSG VAT Account No.0082199350 <p>First Bank, ODSG CONSOLIDATED REVENUE Account Number: 2002084301.</p>	Unsatisfactory	The State should establish a functional State-level TSA
2	Is there a formally approved cash management strategy in place? The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.	<p>The State has a Cash Management Strategy.</p> <p>a) The document is named "Treasury Single Account Operations Manual (Part One)".</p> <p>b) The document was produced in May 2015 and was jointly approved by the Honorable Commissioner for Finance and the Permanent Secretary/Accountant General of the State.</p> <p>c) The Strategy covers 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, as set out in Paragraphs 4 and 5 of Figure 8: Cash Management Policy, page 24 of the Ondo State Treasury Single Account – Operational Manual (Part One).</p> <p>d) The State's Treasury Single Account Operations Manual provides for daily sweeping of funds, though sweeps are conducted twice monthly-10th and 25th of the month, as confirmed by the TSA bank.</p>	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. The existence of cash commitments and requirements forecasts were at monthly intervals, as stated in the cash management strategy.					
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	<p>The State has a computer application where it can view the cash balances in the bank accounts.</p> <p>a) The name of the computer application is Bank Accounts Monitoring System (BAMS), produced by Upper Links Limited.</p> <p>b) The application package works in line with the approved cash management strategy.</p> <p>c) It was deployed in June 2017.</p>	Satisfactory				
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	<p>a) The IVA team visited three (3) MDAs of the State, the Ministry of Health, Education and Works. The Directors of Accounts of the MDAs were interviewed, and questionnaires were administered to extract evidence of the TSA processes in place.</p> <p>b) First Bank, ODSG CONSOLIDATED REVENUE Account Number: 2002084301.</p> <p>c) Government monies in the State go through various accounts such as (FAAC and VAT) as listed above.</p> <p>d) All Government monies do not sit in the other revenue collecting Banks</p> <p>e) The TSA bank Statement was obtained by the IVA.</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 Cash flow Statement for the year ended 2021.</p> <p>See the computation below:</p> <table border="1" data-bbox="663 1352 1287 1383"> <tr> <td></td> <td>Total Inflows (₦)</td> <td>Total Outflows (₦)</td> </tr> </table>		Total Inflows (₦)	Total Outflows (₦)	Unsatisfactory	The State's TSA should cover all of Government Finances.
	Total Inflows (₦)	Total Outflows (₦)					

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations								
		<table border="1"> <tr> <td>TSA Bank Statement</td> <td>12,189,916,502.83</td> <td>12,560,445,598.32</td> </tr> <tr> <td>Government Finances*</td> <td>144,330,699,450.94</td> <td>118,016,471,241.96</td> </tr> <tr> <td>Percentage</td> <td>8.45</td> <td>10.64</td> </tr> </table> <p>The average is percentage computation is: $\frac{8.45\% + 10.64\%}{2} = 9.55\%$</p> <p>The TSA covered 9.55% of the State's finances. *Sources: 2021 Audited Financial Statement (Cash flow Statement) Pg.24 and the TSA Statement from First Bank for the period of January 1, 2021, to 31 December 2021.</p> <p>There were no spurious items identified in the TSA statement. There were no spurious items identified in the TSA statement.</p> <p>Note: State's Annual Outflow in 1.2 (Actual) should be the same in the table above shown as Government Finances (Outflow).</p> <p>APA issue report has been dispatched to the State, through the Focal person to obtain clarification on the material difference in the inflows and outflows of the TSA statement and the Cashflow statement. In response, the State only asserted that the differences had been noted.</p>	TSA Bank Statement	12,189,916,502.83	12,560,445,598.32	Government Finances*	144,330,699,450.94	118,016,471,241.96	Percentage	8.45	10.64			
TSA Bank Statement	12,189,916,502.83	12,560,445,598.32												
Government Finances*	144,330,699,450.94	118,016,471,241.96												
Percentage	8.45	10.64												
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection														
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and				Previously Achieved in 2019 APA									

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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			
1	Does the State have an up-to-date consolidated revenue code that includes all the State's IGR sources and rates and all the local governments (falling under that State) IGR sources and rates?	PREVIOUSLY ACHIEVED IN 2019 APA		
2	Does the consolidated revenue code stipulate that the State Bureau of Internal Revenues (SBIR) or the State Internal Revenue Service (SIRS) as the sole agency responsible for State revenue (tax and non-tax) collection and accounting in the State?	PREVIOUSLY ACHIEVED IN 2019 APA		
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts	PREVIOUSLY ACHIEVED IN 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	and is responsible for reporting and accounting for the revenues?															
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2021.	PREVIOUSLY ACHIEVED IN 2019 APA														
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	PREVIOUSLY ACHIEVED IN 2019 APA														
DLR 4.2	Annual nominal IGR growth rate meets target		Achieved (Basic target met)													
1	Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets? Basic Target: 20% - 39% Stretch Target: 40%	<p>a. The accrual basis of accounting was used for revenue reporting in 2020 and 2021 Audited Financial Statements.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1" data-bbox="611 1166 1272 1430"> <thead> <tr> <th>REPORTING TEMPLATE: OPTION B</th> <th>NGN</th> <th></th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2020</th> <th>2021</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Reporte</td> <td>30,687,826,606.21</td> <td>37,048,676,106.89</td> <td>20.7%</td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION B	NGN		% GROWTH	Item	2020	2021		1. Reporte	30,687,826,606.21	37,048,676,106.89	20.7%	Satisfactory	
REPORTING TEMPLATE: OPTION B	NGN		% GROWTH													
Item	2020	2021														
1. Reporte	30,687,826,606.21	37,048,676,106.89	20.7%													

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		d IGR in AFS (Before Adjustments)				
		3. INVALID items to be deducted IF reported as part of IGR	-	-		
		Paris club refund				
		Reimbursements /refunds related to expenditures (e.g., from FGN for Federal roads)				
		Sale of govt property , privatization proceeds				
		Savings				
		Investment				

Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		Income (e.g. dividends)				
		Interest Earned				
		Miscellaneous				
		3. "Adjusted IGR" for DLI 4.2 Calculation (A OR B)				
		Take reported total IGR and deduct any INVALID items i.e. (1) minus (2)	30,687,826,606.21	37,048,676,106.89	20.7%	
		<p>*Please Unpack the Miscellaneous from the notes to the Account</p> $\frac{\text{₦}37,048,676,106.89 - \text{₦}30,687,826,606.21}{\text{₦}30,687,826,606.21} \times 100 = 20.7\%$ <p>The annual nominal growth was 20.7%</p> <p>Source: 2021 Audited Financial Statement Pg. 24</p>				
DLI 5: Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud						
DLR	Biometric capture of at				Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations				
5.1	least [95] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll							
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 95% of the current civil servants and pensioners on the State payroll?	<p>The State commenced and completed the Biometric data capture of the civil servant and pensioners from December 2015 to 2019.</p> <p>a) The State did not outsource its Biometric capture to a consultant, it conducted it through the State Information Technology Agency (SITA).</p> <p>b) The total number of civil servants is 23,526.</p> <p>c) The total number of pensioners is 12,215</p> <p>d) The total number of civil servants and pensioners on the State Nominal roll and Payroll is 35,741(Civil servant 23,526 and 12,215 pensioners).</p> <p>e) The total number of civil servants and pensioners on the Nominal roll and payroll changed by 0.06% in comparison with the previous year. The changes for both the nominal roll for civil servant and pensioners and the payroll were not up to 10% and as such considered insignificant</p> <p>See the computation below:</p> <table border="1"> <tr> <td>Total No of Civil Servant and Pensioners 2020</td> <td>35,502.</td> </tr> <tr> <td>Total No of Civil Servant and Pensioners 2021</td> <td>35,741</td> </tr> </table> <p>$\frac{35,741 - 35,502}{35,502} \times 100$ $= 0.06\%$</p> <p>f) The total of 35,741 number of persons (Civil servant 23,526 and 12,215 Pensioners) biometrics data have been captured.</p> <p>g) The document obtained to serve as evidence is a one page report on Biometric/BVN/Payroll of the Core Civil</p>	Total No of Civil Servant and Pensioners 2020	35,502.	Total No of Civil Servant and Pensioners 2021	35,741	Satisfactory	
Total No of Civil Servant and Pensioners 2020	35,502.							
Total No of Civil Servant and Pensioners 2021	35,741							

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Servants and Pensioners as at December 2021 from Office of the Accountant General Ministry of Finance and Screenshots from States payroll system.</p> $\frac{35,741 \times 100}{23,526 + 12,215} = 100\%$ <p>The State had captured 100% biometrics of the State's civil servants and pensioners on its payroll.</p>		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<p>a) The State commenced the biometric linkage of the biometric data to the Payroll in December 2015 and finished in 2019.</p> <p>b) A total of 35,741 instances of biometrics data (23,526 Civil servants and 12,215 pensioners) have been linked to the payroll.</p> <p>c) No ghost workers were detected during the biometric validation.</p> <p>d) No ghost workers were detected during the biometric validation; however, the total amount saved as a result of death, retirement and disciplinary measures is N109,237,737.96.</p> <p>e) There were changes to the civil servant and pensioner payrolls during the fiscal year as a result of starters, leavers and deaths and these changes were captured by the biometric exercise.</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 documents obtained to support our conclusion are: Report on biometric/BVN/Payroll of the core civil servant and pensioners as at December, 2021, Screenshot of Biometric data base and copies of letter of undertaken.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>g) There were changes to the civil servant and pensioner payrolls during the fiscal year as a result of starters, leavers, deaths, etc.</p> <p>h) These changes were captured by the biometric Report.</p> <p>i) The procedure in place to identify and remove ghost workers is that the State Information Technology Agency uses a software (Pay-Choice) which removes Civil servants automatically from the payroll on the attainment of retirement age and the name is forwarded by the payroll administrator to the relevant MDA for it to commence the procedure of enrolling the civil servant into the pension payroll after obtaining the approval of the Hon. Commissioner of Finance and final directive of the Accountant General of the State to the pension administrator for the name to be enlisted into the pensioners payroll system. In the case of death and disciplinary measures, letters are sent from employees MDAs to the payroll office for stoppage of salary. Copies of the report has been retained in the Assessment file.</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 worker was detected during the linkage.</p> <p>b) No ghost workers were detected during the linkage hence there was no record kept for the identified ghost workers</p> <p>c) No Ghost workers were identified, therefore no removal from the payroll occurred</p> <p>d) No ghost workers were identified hence no payment was made.</p> <p>e) No ghost workers were identified hence no payment was made.</p> <p>f) The State Auditor General's report on payroll. Ref: GMD/AG/2/Vol.III/608 dated 22nd June 2022.</p>	Satisfactory	
5.2	Link BVN data to at least [95] percent of current		Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	civil servants and pensioners on the payroll and payroll fraud addressed			
1	Has the State linked the Bank Verification Number data to 95% of its current Civil Servants and pensioners on the State payroll?	<p>The State commenced the linkage of BVN data of the civil servants and pensioners in December 2015 and completed it in 2019.</p> <p>a) The State did not outsource its Biometric capture to a consultant, it conducted it through the State Information Technology Agency (SITA).</p> <p>b) The total no of civil servants and number of pensioners is 35,741(23,525 Civil Servants and 12,215 Pensioners)</p> <p>c) The total number of civil servants and number of pensioners on the State Nominal roll is 35,741(23,525 Civil Servants and 12,215 Pensioners).</p> <p>d) The total of 35,741(23,525 Civil Servants and 12,215 Pensioners) BVN have been linked to payroll.</p> <p>e) The documents obtained to serve as evidence are Report on Biometrics/BVN/Payroll of the Core Civil Servants and Pensioners as at December 2021 from Office of the Accountant General Ministry of Finance page1 , Screenshots of biometrics reports /Scripts directly from the system base Administrator and Screenshots from the payroll system.</p> $\frac{35,741 \times 100}{23,526 + 12,215} = 100\%$ <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?	<p>a) The total number of Civil servants and pensioners with BVN is 35,741 (23,526 Civil servants and 12,215</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>Pensioners whilst non data without BVN data.</p> <p>b) No payroll fraud was identified during the year under review; therefore, no record was kept for the identified payroll fraud</p> <p>c) No payroll fraud was identified during the year under review</p> <p>d) No payroll fraud was identified during the year under review.</p> <p>e) No payroll fraud was identified, however the total emolument (employee and pensioners N47,193,672,375.70</p> <p>f) The source(s) of this information is a Report on biometric /BVN/payroll of the Core Civil servants and Pensioners as at December 2021.</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 2019 APA	
1	Does the State have a public procurement legal framework that must be	PREVIOUSLY ACHIEVED IN 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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 2019 APA		
3	Has the State instituted an independent procurement regulatory function, which may be performed through one or a combination of the following: bureau, commission, council, agency, or any other type of entity set up for the statutory purpose?	PREVIOUSLY ACHIEVED IN 2019 APA		
DLR 6.2	No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS		Achieved	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>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.</p>			
<p>1 Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2021) that are above the threshold (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?</p>	<p>a) The IVA obtained a schedule of all contracts awarded during the year under assessment.</p> <p>b) The checks IVA carried out to confirm whether the schedule is complete and comprehensive are:</p> <ol style="list-style-type: none"> 1. Number of contracts shown for traditional large spendings MDAs 2. Number of contracts shown for several MDAs in the period. 3. IVA checked if the total contracts awarded per the schedule provided by the state is in line with the approved capital budget for the year or the actual capital expenditure outturn for the year. <p>The discrepancy identified was that the total contract awarded per schedule provided by the state is ₦14,827,882,105.69 and was not in line with the actual capital expenditure and budgeted capital expenditure is ₦39,976,844,306.85. The difference is ₦25,148,962,201.16. (An APA issue report was raised on this, and the State responded thus: "By now, here in Ondo State, we have come to the</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>PRACTICAL realization that using Capex to assess the amount involved in contract awards is not a good idea. Any congruence between Capex and published contract awards (only of threshold above N20m) can only work in THEORY. This is because a whole lot of subheads are lumped into the Accountant General's report. This include:</p> <ul style="list-style-type: none"> i. Contract awards below the threshold of N20m. We are bound to publish only contract awards above a threshold of N20m. ii. Approved Direct Labour projects iii. Grants to organizations like DAWN iv. Security payment to Nigeria Police, Amotekun etc v. Major training votes vi. Counterpart funding of projects like UBEC, RAAMP (World Bank-assisted), NG-Cares etc vii. Historical contracts – Ondo State still has commitments to past contracts dating back to 2012 (as we showed with the 2022 situation). As a matter fact, you would have definitely discovered that, from the contracts published by ODBPP on our OCDS portal and Capex report, few of the recently awarded contracts, published by ODBPP, including those of 2021, are yet to be funded. In 2022 awards, not more than two have been funded.” <p>c) Yes, the State published all contracts awarded for the year above the 20 million naira threshold.</p> <p>d) The list of all contracts is complete based on the review against the schedule of all contracts provided by the State.</p> <p>e) Upon Review, the IVA has confirmed that the data published were in line with the OCDS.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>f) The source of the publication is https://eprocurement.on.gov.ng/epps/viewAllAwardedContracts.do?d-3998960-p=4 The IVA compared the copy submitted by the State with the online monthly copies. The copies submitted for verification were the same as those downloaded online and in OCDS format.</p> <p>g) The contract award information that was published includes:</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 <p>h) All contract items above were published</p> <p>i) The web link where data was published is inserted below: https://eprocurement.on.gov.ng/epps/viewAllAwardedContracts.do?d-3998960-p=4</p> <p>j) The contract award information published on the state website is accessible to the public.</p>		
2	Has the State implemented e-Procurement in at least 4 MDAs (including Education, Health, and Public Works) by June 30, 2022. The e-Procurement for the 2021 results DLI is the implementation of at least five modules: e-Registration, e-Publishing/Notification, e-Procurement Plan, e-	<p>a) The State has implemented e-procurement in at least four (4) MDAs.</p> <p>Ministry of Education Ministry of works Ministry of Health Ondo Bureau of Public Procurement</p> <p>b) The IVA obtained the report on all transactions for the four MDAs during the specified period.</p> <p>c) The IVA obtained a separate report for all four MDAs from the Accountant-General.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
Tendering and e-Evaluation/e-Awarding?	<p>d) The go-live date is 1st November 2021, the screenshot and email evidence for e-procurement system go-live date was obtained</p> <p>e) The IVA compared the system generated report to the report from the Accountant-General, and the transactions that were conducted through the e-procurement system and the transactions were not broken down in the Accountant-General CAPEX report for 2022. The IVA raised an APA issue report.</p> <p>f) The IVA took samples and performed a walkthrough test on 5 transactions for all four (4) MDAs.</p> <p>g) The selected transactions passed through the procurement lifecycle.</p> <p>h) All transactions were conducted on the e-procurement system.</p> <p>i) The e-Registration, e-Publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules have been implemented and transactions processed through them for the period 1 January 2021 to 30 June 2022.</p> <p>j) The state has processed all of its transactions through the modules after the go-live for the period of 1 January 2021 to 30 June 2022</p> <p>k) The evidence obtained from the selected sample transactions are screenshots and PDF documents for each of the MDA's transactions passing through all the modules in the e-procurement system.</p> <p>l) Further reviews showed that: The publishing module on the e-procurement portal gave a</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>page saying 'No published notices found'. And 'No results found' (screenshot retained). This indicates the module is not in use.</p> <p>The tab for 'Current processes' on the e-procurement portal yields a page with two transactions. Both have a bid submission deadline of Dec 2021 (9 months ago). (screenshot retained). This indicates the e-tendering/e-evaluation modules are not in use.</p> <p>The State responded thus: “We have downloaded and attached all the published notices under bid notices and contract award notices, as they appear in pdf format on the platform. While we cannot speak for the IVA, we can say we don’t know where she got her screenshots from, as they have nothing to do with Ondo State. This may adduce a reason for the contradiction in the reportage.</p> <p>Furthermore, it should be noted that "Current Process" page based on the configuration of the system would always contain only the procurement processes that are under "Bid submission" status, that is, bids at the tendering stage. Hence, it is normal that it is empty if there are no competitions that are currently in this stage. In case the IVA team needs to check the published procurement processes then they have to search through the below Advanced Search URL https://eprocurement.on.gov.ng/epps/viewCFTSFromFTSAction.do) for all the publicly awarded processes available in the system. To this end, please note that the system behaved</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>as expected.”</p> <p>The tab for 'Processing of opened bids' contains 40 transactions all of which (except two cancelled items) were dated as awarded between 5th May 2022 and 27th June 2022. The requirement in the VP is that 'States will need to have had at least 6 months of transactions (for the period 1 January 2022 to 30 June 2022) in at least 4 MDAs (including Education, Health and Public Works) going through the e-procurement system by June 30, 2022'</p> <p>The information noted does not indicate that 6 months of transactions have been through the system in 2022, unless there were no contracts awarded by the State for these MDAs in 2022 up until 5th May 2022. This is unlikely in view of the go-live date of 1 November 2021 and requires further examination.</p> <p>The State responded thus:</p> <p>The 6 months of transactions is not just about award about all activities leading to the awards. The IVA has merely emphasized that “...unless there were no contracts awarded by the State for these MDAs in 2022 up until 5th May 2022. Awards do not just happen. Approval has to be obtained for funds release. That has no timeline. Contractors have to register. Notices have be published followed evaluation and a waiting period. These processes leading to awards take at least 10 weeks all things being equal, of which advertisements alone takes 6 weeks according to the Ondo State Public Procurement Law, 2017. If the APDP was published on February 4, 2022 we stand to emphasize that May 2022 is a good time start awards</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>based on those awards.</p> <p>m) Note that a separate one-page list was seen on file with 'Contracts above threshold awarded in 2022'. This list holds five contracts of which at least one contract awarded by the Ministry of Education (for N149.7m on 07 March 2022), one by the Ministry of Works (N1.725bn on 06 April 2022). Neither of these were seen on the e-procurement portal for Opened bids or Awarded bids. Sequel to the above observations, this has been marked as unsatisfactory.</p> <p>The State responded thus: “The said contract award by the Ministry of Education is from a process that started in 2021 and the attendant processes that started in 2021 before the Go-Live status was achieved while that of the Ministry of Works was a re-award of a 2019 project that was terminated in 2021 because of non-performance. Both projects were awarded from warehoused funds from the relevant years of the Budget because they were not included in the 2022 Budget. Please, see the evidence of funds release and approval from Mr Governor in both cases, with emphases on the dates.”</p> <p>IVA has noted the State’s responses and evaluated the evidence provided and accepts the submission from the State.</p>		
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework			

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 2018 APA	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal Responsibility Law, OR the passage of the State Public Debt Management Law, OR the inclusion of the provisions of the Fiscal Responsibility Act (FRA) in the organic Public Financial Management Law?	PREVIOUSLY ACHIEVED IN 2018 APA		
2	Does the legislation include provisions that establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.	PREVIOUSLY ACHIEVED IN 2018 APA		
4	Has the State Debt	PREVIOUSLY ACHIEVED IN 2018 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?			
DLR 7.2	Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021 AND Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021		Achieved	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average two months after the end of the quarter in 2021?	<p>a) The State submitted quarterly State Domestic Debt Reports (SDDR) (final versions) to the DMO on an average of <u>2</u> months after the end of each quarter.</p> <p>We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows:</p> <ul style="list-style-type: none"> ● Q1 submitted on (14/5/21) 44 days, ● Q2 submitted on (16/8/21) 49 days, ● Q3 submitted on (16/11/21) 47 days and ● Q4 submitted on (14/2/22) 45 days. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p style="text-align: center;"><u>44+49+47+45</u> 4</p> <p>Average = 46.25 days (6.61 weeks)</p> <p>The SDDR's were submitted within an average of 1.52 months (46.25 days).</p>		
2	<p>Note: Have you reviewed for accuracy and completeness from the DMO:</p> <p>The State Domestic and External Debt Report (SDEDR) along with all underlying data and supporting documents including the DMO templates and guidelines and standard internal protocols and data from CBN, DMO, and FMOF Home Finance used by the DMO to cross-check the state's domestic debt figures.</p> <p>a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents have not been obtained.</p> <p>b) The State Domestic and External Debt Report (SDEDR) from the Federal DMO, CBN, and FMOF, along with all underlying data has been compared with the supporting documents (including the DMO templates and guidelines) by using the text below:</p> <p>We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Ondo State Debt Domestic Report along with all underlying data. The report was supported with the DMO's templates and guidelines.</p> <p>We reviewed the DMO report and the DMO report confirmed the <u>accuracy</u> and <u>completeness</u> of the State Domestic Debt Report.</p> <p>A wider review was undertaken of the information and supporting schedules submitted by the DMO, and several clarifications and adjustments were made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data.</p>	N/A	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents have not been obtained.</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 as seen below: Contractor Arrears: I. SDDR Figure: 0 II. AFS Figure (Pg 90): N1,023,406,082.42 III. Difference N1,023,406,082.42 Commercial Bank loan (Fidelity Vehicle lease) I. SDDR Figure: 0 II. AFS Figure (Pg 90): N72,810,486.54 III. Difference: N72,810,486.54 CBN Commercial Agric Loan I. SDDR Figure: 0 II. AFS Figure (Pg 90): N310,974,737.06 III. Difference: N310,974,737.06 Other loans and debt (ISPO) IV. SDDR Figure: 0 V. AFS Figure (Pg 90): N 17,367,158,876.00 VI. Difference: N 17,367,158,876.00</p> <p>f) An APA Issue report was raised to the state for</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>explanations of the differences, the IVA still awaits response regarding these differences.</p> <p>g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has not been obtained, hence the inability of the IVA to make comparisons</p> <p>h) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has not been obtained, hence the inability of the IVA to make comparisons</p> <p>i) State if there are any errors or inconsistencies.</p> <p style="padding-left: 20px;">i. SDEDR (DMO) Figure: SDEDR was not provided.</p> <p style="padding-left: 20px;">ii. SDDR (State) Figure: SDEDR was not provided.</p> <p style="padding-left: 20px;">iii. Difference (If any): SDEDR was not provided.</p> <p>j) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, along with all underlying data and supporting documents have not been obtained.</p>		
3	Has the State published online the State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) by 31 December 2021?	<p>a) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published on the State official website.</p> <p>b) The date of publication was 31st December 2020</p> <p>c) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published by 31 December 2021 (on the 30th of December, 2021). Screenshot of back-end publication of timestamp was obtained as evidence to confirm the date of online publication.</p> <p>d) The web link is inserted here: https://oag.on.gov.ng/2021/12/20/dsa-dms-report/</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	<p>Upon review of the SDSA -DMSR, it included the following:</p> <p>(1) Adequate presentation of medium-term budget forecasts, including:</p> <p style="padding-left: 20px;">(a) Presentation of MTB forecasts in a table with projected annual figures from 2021 to 2024.</p> <p style="padding-left: 20px;">(b) Description of assumptions underpinning the MTB</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>borrowing options; including a summary analysis of the projections of performance indicators used to assess Debt Management Strategy, and their implications for cost-risk profile of State debt portfolio in 2025; and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?</p>	<p>forecasts from 2021 to 2024: in a table with assumptions</p> <p>(c) A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout the period 2021-2024</p> <p>(d) The presentation and analysis in the entire forecast period are of adequate quality, and do not contain illogical statements.</p> <p>(2) A detailed and adequate description of the debt portfolio and borrowing options, including:</p> <p>(a) Presentation of debt and borrowing projections in the baseline scenario using charts (with projected figures from 2021 to 2030.</p> <p>(b) Description of assumptions underpinning the borrowing options presented with corresponding explanations in writing</p> <p>(c) A summary analysis of the debt projections and their implications for debt sustainability and fiscal policies throughout the period 2021-2030</p> <p>(d) A summary analysis of the projections of performance indicators used to assess DMS throughout the period 2021-2025, and their implications for the cost-risk profile of the State debt portfolio in 2025.</p> <p>(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.)</p> <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 in a</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>table and charts</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>(c) The presentation and analysis in the entire historical period is of adequate quality, and do not contain illogical statements.</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) No differences were 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> <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>		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<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 establishment of the ACF occurred by 11th December 2019 which is before 30 June 2021 - the latest date by which the ACF must be established in order for this result to be achieved.</p> <p>d) The duration of time between the establishment of the ACF and the 31 December 2021 year-end is two (2) years, which is adequate to allow time for the implementation of the ACF</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) Pages 1 – 3 of the ACF shows evidence that the ACF contains the two stated requirements. Other documents submitted by the state to confirm the ACF exists is the weblinks to the ACF publication as well as screenshots of backend publications</p>	Satisfactory	
3	Has the ACF been published on a State official website?	<p>a) The IVA confirmed that the ACF has been published on a State official website</p> <p>b) A copy of ACF have been downloaded for validation</p> <p>c) https://oag.on.gov.ng/2019/12/11/ondo-state-arrears-clearance-framework-2/ A screenshot of the IT backend for the publication was obtained.</p>	Satisfactory	
4.	Is the clearance of domestic expenditure	The State Arrears Recording, Verification and Clearance Report (SARVCR) and Schedule of arrears payment was	Unsatisfactory	The State should ensure that the

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	arrears consistent with the ACF, once the ACF has been established?	not submitted by the state hence the inability for the IVA to confirm if clearance of arrears was consistent with the ACF. APA issue was sent to State awaiting response.		clearance of domestic expenditure arrears is consistent with the ACF
5.	Has the State established an Internal Domestic Arrears Database?	<ul style="list-style-type: none"> a) The State has not established an Internal Domestic Arrears Database b) The State has not established an Internal Domestic Arrears Database c) The State has not established an Internal Domestic Arrears Database hence no verification process is in place d) No evidence was provided by the State to show that the State has conducted verification of arrears balances. e) The State has not established an Internal Domestic Arrears Database therefore no tests were conducted. The state did not submit the annual state arrears recording, verification, and clearance report (SARVCR) to the IVA. 	Unsatisfactory	<ul style="list-style-type: none"> a) The state should ensure they establish an internal domestic arrears database. b) The Internal Domestic Arrears Database should include aggregate and individual amounts of contractors' arrears; the aggregate amount of pension and gratuity arrears; the aggregate amount of salary arrears and other staff claims
6	Has the State published online elements of the internal domestic arrears database for the FY 2020 and FY 2021 reported on a State official website, which constitutes the online publicly accessible arrears database?	<ul style="list-style-type: none"> a) The State has not published online the required elements of the Internal Domestic Arrears Database as at the end of 2020 and 2021. b) The State internal domestic arrears database and online publicly-accessible arrears database have not been established, hence the inability for the IVA to make comparisons c) The state has not established the online publicly-accessible arrears database 	Unsatisfactory	The State should ensure they publish online, elements of the Internal domestic arrears database.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) The State has not established the online publicly-accessible arrears database and no online facility for contractors with arrears (creditors) to report any omissions to the State exists</p> <p>e) No online facility for contractors with arrears (creditors) to report any omissions to the State exists, hence no test was conducted</p> <p>f) No online facility for contractors with arrears (creditors) to report any omissions to the State exists, hence no record was obtained.</p> <p>g) No online facility for contractors with arrears (creditors) to report any omissions to the State exists, hence no record was obtained.</p> <p>h) The State has not established the online publicly-accessible arrears database</p>		
7.	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of</p>	<p>The State has not established the online publicly-accessible arrears database</p>	Unsatisfactory	<p>a) The State should ensure they publish online lists of contractors with recognized arrears exceeding ₦20 million.</p> <p>b) The state should ensure contractors can verify that their claims are accurately reported</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																												
	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.																																		
8.	<p>Has the State met the following?</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p>Basic target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch target: More than 20 percent decline</p> <p>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total</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>0</td> <td>470,148,659.27</td> <td>.</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>0</td> <td>0</td> <td></td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>0</td> <td>5,049,934,134.05</td> <td></td> </tr> <tr> <td>Judgment Debt</td> <td>1,241,865,049.25</td> <td>0</td> <td></td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td>0</td> <td>0</td> <td></td> </tr> <tr> <td>Total Domestic Arrears</td> <td>1,241,865,049.25</td> <td>5,520,082,793.32</td> <td>78 %</td> </tr> </tbody> </table> <p>a. We obtained the Domestic arrears figure from the State domestic debt report (SDDR) for Q4 2020 and 2021. Figures in the SDDR were compared with figures in the AFS and a discrepancy in contractor arrears of N1,023,406,082.42 exist between the balances stated within the SDDR and the AFS for 2021. An APA Issue report was raised to the state for explanations of the difference, the IVA Still awaits response regarding these differences</p>				Aggregate Amount of:	2021	2020	% diff	Contractors Arrears	0	470,148,659.27	.	Pension and Gratuity arrears	0	0		Salary arrears and Staff claims	0	5,049,934,134.05		Judgment Debt	1,241,865,049.25	0		Other types of domestic expenditure arrears	0	0		Total Domestic Arrears	1,241,865,049.25	5,520,082,793.32	78 %	Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.	$\frac{5,520,082,793.32 - 1,241,865,049.25}{5,520,082,793.38} \times 100$ $= 78\%$ <p>The percentage decline is 78%</p> <p>Source: State domestic debt report for Q4 2021 and Q4 2020</p> <p>Further review showed that the State quarterly SDDRs indicate this arrears balance was cleared in Q3 of 2021.</p> <p>The State is required to provide additional evidence to corroborate the clearance and confirm it was a genuine settlement through payments of arrears and not an adjustment in the records.</p>		
DLI 9: Improved Debt Sustainability				
DLR 9.0	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021 AND Total debt stock at end of December 2021 as a share of total revenue for FY 2021 meets target: Basic target: < 120% Stretch target: < 95%		Achieved Basic Target	
1	Has the State met: (i) the ratio of total debt stock at end-of-year (31 st December 2021) of the	The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison. Total Public Debt*	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings		Conclusion	Recommendations												
<p>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>	<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>111,019,305,612.28</td> <td>76,502,341,211.00</td> </tr> <tr> <td>Total External Debts</td> <td>36,207,402,380.64</td> <td>36,207,402,379.57</td> </tr> <tr> <td>Total Public Debts</td> <td>147,226,707,992.92</td> <td>112,709,743,590.58</td> </tr> </tbody> </table>		Financial Statements	DMO/ SDEDR Figures	Total Domestic Debts	111,019,305,612.28	76,502,341,211.00	Total External Debts	36,207,402,380.64	36,207,402,379.57	Total Public Debts	147,226,707,992.92	112,709,743,590.58			
	Financial Statements	DMO/ SDEDR Figures														
Total Domestic Debts	111,019,305,612.28	76,502,341,211.00														
Total External Debts	36,207,402,380.64	36,207,402,379.57														
Total Public Debts	147,226,707,992.92	112,709,743,590.58														
	<p>Total Annual Revenue</p> <table border="1"> <tbody> <tr> <td>2021 Adjusted IGR (see DLI 4.2)</td> <td>37,048,676,107</td> </tr> <tr> <td>Gross FAAC Allocation**</td> <td>73,606,315,877</td> </tr> <tr> <td>Grants</td> <td>3,936,555,258</td> </tr> <tr> <td>Other Revenues</td> <td>322,805,954</td> </tr> <tr> <td>Total Revenue</td> <td>114,914,353,196</td> </tr> </tbody> </table>		2021 Adjusted IGR (see DLI 4.2)	37,048,676,107	Gross FAAC Allocation**	73,606,315,877	Grants	3,936,555,258	Other Revenues	322,805,954	Total Revenue	114,914,353,196				
2021 Adjusted IGR (see DLI 4.2)	37,048,676,107															
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Grants	3,936,555,258															
Other Revenues	322,805,954															
Total Revenue	114,914,353,196															
	<p>a. The State's domestic debt stock figure in the Federal DMO State Domestic and External Debt Report for 2021 is as at the end of Q4 2021.</p> <p>We have computed the total debts stock / Revenue percentage for the 2021 year, as follows:</p> <p>AFS FIGURES COMPUTATION</p> $\frac{147,226,707,992.92 \times 100}{114,914,353,195}$ <p>= 128.12%</p> <p>DMO Figures Computation</p> $112,709,743,590.58 \times 100$															

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p style="text-align: center;">114,914,353,195</p> <p style="text-align: center;">= 98.08%</p> <p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:</p> $\frac{16,713,459,013 \times 100}{73,606,315,877} = 22.7\%$ <p>b. The debt stock stated in the Federal DMO State Domestic and External Debt Report has not been compared with the debt stock stated in the audited financial statement because the SDEDR is not available.</p> <p>c. The difference has not been communicated to the State for an explanation because SDEDR has not been provided.</p> <p>d. The difference has not been calculated in value and percentage terms since SDEDR was not provided.</p> <p>Sources:</p> <p>i. For Total Revenue 2021 Audited Financial Statement, Page 17</p> <p>ii. For Total Public Debt from DMO* as at December 31, 2021</p> <p>iii. NBS/OAGF (FAAC)</p> <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 ONDO STATE

S/N	ONDO STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	21,955,277,617.69
2	BAIL OUT (SALARIES) (SOURCE CBN)	13,872,174,996.49
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	3,765,036,051.56
4	EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	9,678,919,117.87
5	STATE BONDS	22,121,428,571.32
6	COMMERCIAL BANK LOANS	-
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	309,600,627.19
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	-
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	-
11	HEALTHCARE DEDUCTIONS	-
12	BRIDGE FINANCE FACILITY	3,053,241,757.40
13	FAMILY HOMES FUND	-
14	ANCHOR BORROWERS PROGRAMME	-
15	OTHER FGN INTERVENTIONS	-
16	MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF)	504,797,422.24

S/N	ONDO STATE	2021 - AMOUNT (₦)
17	JUDGEMENT DEBTS	1,241,865,049.25
18	GOVT - GOVT DEBTS	-
19	CONTRACTORS' ARREARS	-
20	PENSION AND GRATUITY ARREARS	-
21	SALARY ARREARS AND OTHER CLAIMS	-
22	OTHER DEBTS	-
	TOTAL DOMESTIC DEBT (TDD)	76,502,341,211.00
	TOTAL EXTERNAL DEBT (TED)	36,207,402,379.57
	TOTAL PUBLIC DEBT (TED+TDD)	112,709,743,590.58

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




TEMPLATE: OPTION A	NGN
Item	2021
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	73,606,315,877
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	51,870,508,361
1.1.1 Gross statutory allocation	33,645,221,554
1.1.2 Derivation	11,673,406,165
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	6,551,880,642
1.2 VAT	21,735,807,516
2. Internally Generated Revenues (IGR) – Adjusted	37,048,676,107
3. Grants (internal and external)	3,936,555,258
4A. Other revenues (4.1 + 4.2 + 4.3)	322,805,954
4.1 Investment Income (e.g. dividends)	290,617,711
4.2 Interest Earned	32,188,243
4.3 Miscellaneous	
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	114,914,353,195

4. Response from the State

The State should please use the table below for their response.



S/N	State Response to the draft report	IVA Follow-up, response, treatment
1	<p>DLR 6.2 – Issue 1: The discrepancy identified was that the total contract awarded per schedule provided by the state is ₦14,827,882,105.69 and was not in line with the actual capital expenditure and budgeted capital expenditure is ₦39,976,844,306.85. The difference is ₦25,148,962,201.16.</p> <p>Response:</p> <p>By now, here in Ondo State, we have come to the PRACTICAL realization that using Capex to assess the amount involved in contract awards is not a good idea. Any congruence between Capex and published contract awards (only of threshold above N20m) can only work in THEORY. This is because a whole lot of subheads are lumped into the Accountant General’s report. This include:</p> <ul style="list-style-type: none"> viii. Contract awards below the threshold of N20m. We are bound to publish only contract awards above a threshold of N20m. ix. Approved Direct Labour projects x. Grants to organizations like DAWN xi. Security payment to Nigeria Police, Amotekun etc xii. Major training votes xiii. Counterpart funding of projects like UBEC, RAAMP (World Bank-assisted), NG-Cares etc xiv. Historical contracts – Ondo State still has commitments to past contracts dating back to 2012 (as we showed with the 2022 situation). As a matter fact, you would have definitely discovered that, from the contracts published by ODBPP on our OCDS portal and Capex report, few of the recently awarded contracts, published by ODBPP, including those of 2021, are yet to be funded. In 2022 awards, not more than two have been funded. 	IVA has noted the State’s response and the result updated accordingly

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>From this enumeration, permit us to re-emphasize that your queries do not often take cognizance of the fact that the total contract awards are for contracts above a threshold of N20m, and NOT ALL CONTRACT AWARDS. The guideline for OCDS publishing with regards to Ondo State Public Procurement Manual (2020) pg 95, which we have submitted repeatedly in soft (online link) and hard copies. This is one of the reasons but a major reason the figures presented by you will definitely mislead.</p> <p>Please, if there is a particular issue you are interested in, give us the privilege to supply the information, as we have already done through our OCDS publication. We can authoritatively inform and assure you that, trying to synchronize or correlate contract awards with Capex is a misleading effort and will lead to nowhere. This is from our own practical assessment of the 2022 (January-June) details we sent to you in your other query. It is not out of place to suggest that this kind of theoretical and non-factual assessment has cost Ondo State ample grants from the World Bank and should thus be discontinued forthwith because it is not in any way close to the truths of the matter, which we have presented above and even in the previous query relating to 2022.</p> <p>It was, however, easy and straight forward filtering the 2022 Capex report because the Office of Accountant General has started using a new application this year that separates the 2022 Capex report from other years. The 2021 Capex report is, however, lumped with all Capex from 2019 till date. This means we have almost 9,000 lines of Capex from the Account General (which we initially submitted during the IVA visit to Ondo State) to filter manually in order to present the factual perspective as against the misleading numbers provided in your summary. You will, however, have to give us at least 2 weeks to accomplish that but, as already implied, it is an assured waste of man hours.</p>	
2	<p>Issue 2 - The publishing module on the e-procurement portal gave a page saying 'No published notices found'. And 'No results found' (screenshot retained). This indicates the module is not in use. The tab for 'Current processes' on the e-procurement portal yields a page with two transactions. Both have a bid submission deadline of Dec 2021 (9 months ago). (screenshot retained). This indicates the e-tendering/e-evaluation modules are not in use.</p> <p>Response</p>	IVA has noted the State's response and the result updated accordingly

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>We have downloaded and attached all the published notices under bid notices and contract award notices, as they appear in pdf format on the platform. While we cannot speak for the IVA, we can say we don't know where she got her screenshots from, as they have nothing to do with Ondo State. This may adduce a reason for the contradiction in the reportage.</p> <p>Furthermore, it should be noted that "Current Process" page based on the configuration of the system would always contain only the procurement processes that are under "Bid submission" status, that is, bids at the tendering stage. Hence, it is normal that it is empty if there are no competitions that are currently in this stage. In case the IVA team needs to check the published procurement processes then they have to search through the below Advanced Search URL (https://eprocurement.on.gov.ng/epps/viewCFTSFromFTSAction.do) for all the publicly awarded processes available in the system. To this end, please note that the system behaved as expected.</p> <p>Please, see the archived bid notices and contract award notices below:</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>BID NOTICE UNDER OPEN BIDDING.pdf</p> </div> <div style="text-align: center;">  <p>Contract Award Notice.pdf</p> </div> </div> <p>The contract award notices also reveal that tendering and evaluation took place, as it indicated the stages where bidders were dropped in the bidding process. You may also see the attached MS Excel files in the attachment, which captures the full information on the completed tendering and evaluation process.</p> <div style="text-align: center; margin: 10px 0;">  <p>EvaluationReport_system_1.zip</p> </div> <p>Please, note that the reports/full information are on various pages of a few samples of MS Excel documents, as downloaded. That said, the IVA did not find any published notices because there was no current processes at the time of the APA.</p>	
3	<p>Issue 3 - The tab for 'Current processes' on the e-procurement portal yields a page with two transactions. Both have a bid submission deadline of Dec 2021 (9 months ago). (screenshot retained). This indicates the e-tendering/e-evaluation modules are not in use. The tab for 'Processing of opened bids' contains 40 transactions all</p>	<p>IVA has noted the State's response and the result updated accordingly</p>

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>of which (except two cancelled items) were dated as awarded between 5th May 2022 and 27th June 2022. The requirement in the VP is that 'States will need to have had at least 6 months of transactions (for the period 1 January 2022 to 30 June 2022) in at least 4 MDAs (including Education, Health and Public Works) going through the e-procurement system by June 30, 2022'</p> <p>Response</p> <p>If, according to the IVA Draft Report, <i>“The requirement in the VP is that 'States will need to have had at least 6 months of transactions (for the period 1 January 2022 to 30 June 2022)’”, why would 2021 become an issue to the extent that the Report erroneously concluded that “e-tendering/e-evaluation modules are not in use”?</i></p> <p>It is apparent that the IVA has veered off and detoured off course because she went beyond the scope of the accepted mandate that the year January 2022 should be for all transactions after all participating States had been given the mandate that they should achieve Go-Live status by December 31, 2021.</p> <p>While the IVA once again erroneously and unscientifically concluded that the modules were not in use; it has, however, made it is evident that the modules were in use since 2021, that is after Go-Live in November, 2021 or while would it be there if the modules were not in use? There is a clear oversight by the IVA in NOT looking at our Procurement Plan first and foremost. Without the Procurement Plan, no activity can take place. We give the IVA the benefit of the doubt that she understands the crucial importance of Procurement Plans to all procurement activities and procedures because there can be no procurement without the plan and if the IVA continues to overlook the Procurement Plans, she would never arrive at a correct conclusion.</p> <p>When Ondo State achieved the Go-Live status on November 1, 2021; the Annual Procurement and Disposal Plan (APDP) was published on November 8, 2021.</p> <p>This was in view of the initial protocol that was billed to terminate on December 31, 2021. (https://eprocurement.on.gov.ng/epps/app/viewPublication.do?cycleId=1000).</p> <p>However, in view of the change in protocol that extended the programme till June 2022, on which the IVA wrote that <i>“The requirement in the VP is that 'States will need to have had at least 6 months of transactions (for the period 1 January 2022 to 30 June 2022)’”, that APDP was discontinued. The funding and the projects in the 2021 APDP were also rolled over into the 2022 Budget and APDP respectively. The final APDP was published on February 4,</i></p>	

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>2022.</p> <p>Please, for all the APDPs, please, see this link: https://eprocurement.on.gov.ng/epps/app/viewPublication.do</p> <p>Please examine the contents of the APDPs meticulously to empirically see that the projects in the 2021 APDP were continued in 2022.</p>	
4	<p>Issue 4- The information noted does not indicate that 6 months of transactions have been through the system in 2022, unless there were no contracts awarded by the State for these MDAs in 2022 up until 5th May 2022. This is unlikely in view of the go-live date of 1 November 2021 and requires further examination.</p> <p>Response</p> <p>The 6 months of transactions is not just about award about all activities leading to the awards. The IVA has merely emphasized that "...unless there were no contracts awarded by the State for these MDAs in 2022 up until 5th May 2022. Awards do not just happen. Approval has to be obtained for funds release. That has no timeline. Contractors have to register. Notices have be published followed evaluation and a waiting period. These processes leading to awards take at least 10 weeks all things being equal, of which advertisements alone takes 6 weeks according to the Ondo State Public Procurement Law, 2017. If the APDP was published on February 4, 2022 we stand to emphasize that May 2022 is a good time start awards based on those awards.</p> <p>Issue 5 - Note that a separate one-page list was seen on file with 'Contracts above threshold awarded in 2022'. This list holds five contracts of which at least one contract awarded by the Ministry of Education (for N149.7m on 07 March 2022), one by the Ministry of Works (N1.725bn on 06 April 2022). Neither of these were seen on the e-procurement portal for Opened bids or Awarded bids. Sequel to the above observations, this has been marked as unsatisfactory.</p> <p>Response</p> <p>The said contract award by the Ministry of Education is from a process that started in 2021 and the attendant processes that started in 2021 before the Go-Live status was achieved while that of the Ministry of Works was a re-</p>	IVA has noted the State's response

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>award of a 2019 project that was terminated in 2021 because of non-performance. Both projects were awarded from warehoused funds from the relevant years of the Budget because they were not included in the 2022 Budget. Please, see the evidence of funds release and approval from Mr Governor in both cases, with emphases on the dates.</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Ministry of Education Award.pdf</p> </div> <div style="text-align: center;">  <p>Ministry of Works Re-Award of a 2019 P</p> </div> </div>	
5	<p>Issue 6 - The tab for 'Processing of opened bids' contains 40 transactions all of which (except two cancelled items) were dated as awarded between 5th May 2022 and 27th June 2022. The requirement in the VP is that 'States will need to have had at least 6 months of transactions (for the period 1 January 2022 to 30 June 2022) in at least 4 MDAs (including Education, Health and Public Works) going through the e-procurement system by June 30, 2022. The information noted does not indicate that 6 months of transactions have been through the system in 2022, unless there were no contracts awarded by the State for these MDAs in 2022 up until 5th May 2022. This is unlikely in view of the go-live date of 1 November 2021 and requires further examination.</p> <p>Response</p> <p>With due respect, the IVA is at the risk of sounding off-knowledge and petty. First, transaction must be interpreted to mean all activities in the process of the procurements, which include APDP, approval for funds release, registration of vendors on the platform, publishing of bids notice (which must remain live for a period of time and in some cases, we had to re-publish when there were no bidders), evaluation of bids, waiting period before notification of award. These are in line with the Ondo State Public Procurement Law, 2017.</p> <p>Second, transactions should not be misconstrued to mean just contract awards. So, from the period APDP was published in February, vendors were registered, notices were published and evaluation were carried out. So, if we</p>	IVA has noted the State's response

S/N	State Response to the draft report	IVA Follow-up, response, treatment
	<p>had awarded any contract in as early as March or even April i.e 8 weeks after publishing of APDP, when bids notices alone by Law should run for 6 weeks, then we should have been challenged because would have breached the timelines in our Law.</p> <p>Third, procurement in practice depends on availability of funds. In fact, it is unlawful to publish a project that does not have cash backing but unfortunately, this Report is written on theoretical procurement. It thus goes to say that raising a petty and trivial issue like this is compromising the gains that have been made in instituting governance in recent times by risking a disinterest from the political class in a good programme like SFTAS and future ones.</p> <p>Does the IVA know the purpose of SFTAS? How does this trivial issue support or help fulfill the purpose of SFTAS? If the protocol says, award contracts, before June 30, 2022; how exactly does awarding the contract between May 5 – June 27, 2022 constitute an infraction? It is our humble opinion that the IVA has raised an extra-curricular issue.</p>	