



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

2021 Annual Performance Assessment (APA) Report

OYOSTATE

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

Table of Contents

1. EXECUTIVE SUMMARY.....	3
2. INTRODUCTION	6
2.1 OVERVIEW	6
2.2 SCOPE	6
3. ASSESSMENT RESULTS.....	8
3.1 FINDINGS	8
TABLE 3(I): DLI 9 31 DECEMBER 2021 STATE DEBT STOCK TABLES FOR OYO STATE.....	65
TABLE 3(II): DLI 9 31 DECEMBER 2021 - ADJUSTED REVENUE TABLES FOR OYO STATE.....	66
4. RESPONSE FROM THE STATE	67

1. Executive Summary

This report details the outcome of the Annual Performance Assessment (APA) conducted on Oyo 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 Oyo State and shows areas where the State was able to achieve results. In total, Oyo State achieved 10 (Ten) 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 25.2 %
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.		The State did not include foreign and domestic grants and loans in the Citizens' Budget and how any budget deficit would be financed.
	DLR 2.2: Citizen's Accountability Reports based on audited financial statements /reports are summarized and comprehensible versions of the audited statements and details of State government public consultations with citizens presenting the annual financial statements should be made available on the state official website (s) by 30th September of each subsequent financial year.		
DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA	DLR 3: TSA, based on a formally approved cash management strategy, established and functional, and covering a minimum of 80 percent of state government finances.		
DLI 4: Strengthened Internally Generated Revenue (IGR) collection	DLR 4.1: State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published	2019	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target -Basic target: 20%-39% -Stretch target: 40% or more	Stretch Target Met	
DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud	DLR 5.1: Biometric capture of at least 95 percent of current civil servants and pensioners completed and linked to payroll, and identified ghost workers taken off the payroll		
	DLR 5.2: Link BVN data to at least 95 percent of current civil servants and pensioners on the payroll and payroll fraud addressed		
DLI 6: Improved procurement practices for increased transparency and value for money	DLR 6.1: Existence of public procurement legal framework and procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) E-Procurement; 2) Establishment of an independent procurement regulatory agency; and 3) Cover all MDAs receiving funds from the state budget	2018	
	6.2 No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs AND For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available		The State did not implement e-procurement in at least 4 MDAs by the due date.
DLI 7: Strengthened public debt management and fiscal responsibility framework	DLR 7.1: State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt; and 3) fiscal and debt rules/limits.	2019	
	DLR 7.2: Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021 AND Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021.		
DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears	DLR 8: Domestic arrears as of end 2020 and end 2021 reported in an online publicly-accessible database, with verification process in place. AND Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework. Basic target: At least a 5 percent decline or maintain stock below 5 billion naira Stretch target: More than 20 percent decline		The percentage decline in the verified stock of domestic arrears was less than 5% [or the stock of arrears was above 5 billion]

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 9: Improved debt sustainability	Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021 AND Total debt stock at end of December 2021 as a share of total revenue for FY2021 meets target: Basic target: < 120%, Stretch target: < 95%.		Total Debt Stock to Revenue is \geq 120% by end December 2021

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

1. DLR 1.2: Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
2. DLR 2.1: States should ensure that the citizens budget includes foreign and domestic grants and loans in the Citizens' Budget and how any budget deficit would be financed.
3. DLR 6.2: e-Procurement should be implemented as soon as possible. Contract award information, above the set threshold, should be published online every month in OCDS format on the State's website. Implement e-procurement in all MDAs and publish contract award information in the OCDS format on the online portal for the MDAs.
4. DLR 8: Domestic arrears are cleared year on year to achieve total arrears of less than N5bn or a year-on-year decline of at least 20%.
5. DLR 9: Strengthened debt sustainability by achieving the levels of debt indicators that are below the thresholds established for this DLR.

The Office of the Auditor-General for the Federation (OAuGF) as Independent Verification Agent and PricewaterhouseCoopers (PwC) agree on all the results shown in this report.

2. Introduction

2.1 Overview

The Federal Government of Nigeria is implementing a four-year program to support the Nigerian States to strengthen fiscal performance and sustainability: The State Fiscal Transparency, Accountability and Sustainability (SFTAS) Program for Results (“The Program”).

The original Programme design had four Key Result Areas and nine disbursement-linked indicators with a financing agreement of US\$750 million. Following the advent of COVID-19 in 2020, the Programme was adapted to establish a transparent, accountable, and sustainable fiscal framework to enhance States’ fiscal capacity to respond to the Pandemic. The main change brought about in the restructuring was the addition of new COVID-19 responsive DLIs to the Programme and obtaining additional financing of US\$750 million to ensure results were sustained across the remaining performance years. This brought the total financing for the SFTAS Programme to US\$1.5 billion and increased the DLIs to 13 (thirteen) and the Disbursement Linked Results to 22 (twenty-two). The Program will finance activities under two components: (i) a Program for Results (PforR) component for US\$1.45 billion and (ii) a Technical Assistance (TA) component for US\$50 million.

All States can participate in the Program in each of the four years and benefit from the PforR funds by meeting set Eligibility Criteria and any or all the indicators of fiscal transparency, accountability, and sustainability.

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and PricewaterhouseCoopers (PwC) was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2021.

2.2 Scope

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

The verification protocol was set early in the preparation for the Program and all States, implementing agencies and other key stakeholders have been continuously sensitized on the requirements of the program and the protocol for 2021. The assessment results are binary (Pass or Fail), as that is how the Program for Results was designed.

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between (11/07/2022 and 15/07/2022) with a team of 6 persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

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

The Office of the Auditor-General for the Federation (OAuGF) and PricewaterhouseCoopers (PwC) are grateful to the State for the cooperation enjoyed during the assessment and hope the recommendations within this Report

are found valuable towards improving fiscal transparency, accountability, and sustainability in the management of the public finances and resources of the State.

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2021] quarterly budget implementation reports published on average within [4 weeks] of quarter end to enable timely budget management		Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	The Quarterly budget implementation reports were posted online on Q1- 2021 https://budget.oyostate.gov.ng/wp-content/uploads/2021/04/OYO-STATE-BUDGET-PERFORMANCE-REPORT-FOR-QUARTER-ONE1-2021.pdf Q2- 2021	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>https://budget.oyostate.gov.ng/wp-content/uploads/2021/07/OYO-STATE-BUDGET-PERFORMANCE-REPORT-FOR-YEAR-2021-SECOND-QUARTER-.pdf</p> <p>Q3- 2021</p> <p>https://budget.oyostate.gov.ng/wp-content/uploads/2021/10/OYO-STATE-BUDGET-PERFORMANCE-REPORT-FOR-YEAR-2021-THIRD-QUARTER.pdf</p> <p>Q4- 2021</p> <p>https://budget.oyostate.gov.ng/wp-content/uploads/2022/01/OYO-STATE-BUDGET-PERFORMANCE-REPORT-FOR-YEAR-2021-FOURTH-QUARTER.pdf</p> <p>The State website was accessed on (10/07/2022).</p> <p>Dates of online publication are as follows:</p> <ul style="list-style-type: none"> ● Q1 – ((04/28/2021) - 4 weeks (28 days) ● Q2 – (07/28/2021) - 4 weeks (28 days) ● Q3 – (10/27/2021) - 3.9 weeks (27 days) ● Q4 – (01/28/2022) - 4 weeks (28 days) <p>Average days (weeks) for the online publication was computed based on the last 4 quarters, as below:</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p style="text-align: center;"><u>28+28+27+28</u> 4 Average = <u>27.75 days (3.96 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	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State's website (see web links above) we observed the following:</p> <ul style="list-style-type: none"> a) The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others) b) The reports included the actual expenditures for the quarter attributed to each MDA as well as actual cumulative expenditures. c) Based on review of the Budget implementation reports, the IVA obtained that the reports included the balances against each of the revenue and expenditure appropriations. d) The state has a supplementary budget for the year 2021. e) Yes, the state budget implementation reports showed both the approved original budget and the revised budget. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	revenue and expenditure appropriations.	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.		
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 balance against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not	The State's Budget Performance reports show the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which includes debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	attributable to any of the other three (3) expenditure classifications?															
DLR 1.2	FY [2021] deviation from total approved budget expenditure is less than 15%		Not Achieved													
1	<p>Has the State computed the difference between the Original/Approved total budgeted expenditure for the fiscal/calendar year 2021 and the actual total expenditure in the fiscal/calendar year 2021, divided by the Original approved total budgeted expenditure and expressed in positive percentage terms?</p> <p>Is the expenditure outturn deviation computed less than 15%</p>	<p>The State computed the budget deviation for 2021 to be 34%</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 1 and 2)</td> <td>130,381,276,505.52</td> <td>61,161,387,619.36</td> </tr> <tr> <td>Rec. Exp. (Pages 1 and 2,3)</td> <td>138,389,688,354.49</td> <td>139,815,405,552.62</td> </tr> <tr> <td>Total</td> <td>268,770,964,860.01</td> <td>200,976,793,171.98</td> </tr> </tbody> </table> <p>$\frac{\text{₱}268,770,964,860.01 - \text{₱}200,976,793,171.98}{\text{₱}268,770,964,860.01} \times 100$</p>		Total Approved Budget (₱)	Actual Outturn (₱)	Capital Exp. (Pages 1 and 2)	130,381,276,505.52	61,161,387,619.36	Rec. Exp. (Pages 1 and 2,3)	138,389,688,354.49	139,815,405,552.62	Total	268,770,964,860.01	200,976,793,171.98	Unsatisfactor y	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	Total Approved Budget (₱)	Actual Outturn (₱)														
Capital Exp. (Pages 1 and 2)	130,381,276,505.52	61,161,387,619.36														
Rec. Exp. (Pages 1 and 2,3)	138,389,688,354.49	139,815,405,552.62														
Total	268,770,964,860.01	200,976,793,171.98														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>= 25.2%</p> <p>The budget performance deviation is 25.2%</p> <p>Source: 2021 Audited Financial Statement 2 and 3 and Approved Budget and Actual Expenditure or Appropriation Law Pg 1</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>		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	<p>Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget</p> <p>AND</p> <p>Citizens' budget based on approved FY21 state budget published online by end April 2021 with</p>		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	functional online feedback mechanisms			
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: Minutes of town hall meetings organized in three zones, pictures of participants, attendance list (with names, organization, LGAs and phone numbers) as well as the proposed budget 2022.</p> <p>a) LGAs in attendance were Ido LGA, Ibarapa East, Ibarapa Central, Saki West, Ibadan North West, Ibadan South West, Ibadan South East, Ibadan North, Ibadan North East.</p> <p>b) The Civil Society Organisation (CSOs) were represented at the consultative meeting. The names of the CSOs and their Organization are Adedamola J. Gbedegeson -press, Bose Adediran -Woman leader omi Apata, Abiodun Oladipo - Head of Programme, Dawncom, Kayode David -CFAN S.O.Kazeem - Vice Chairman Omi Apata LCDA, Adebayo PCDO, and the CBOs are: Pro. Olatoye Ojo- oluyole Estate Landlords ,Alhaji Ismail-Muslim Representative, P.O .Oloyde Religious Leaders, Opakunle S.O.Tradomedical.</p> <p>c) IVA obtained information from minutes of public consultation, Attendees list with names, organizations, phone numbers), questionnaires and pictures.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>d) The dates of consultations and venue were:</p> <ol style="list-style-type: none"> 1.) Oke Ogun Zone Stakeholders Consultative meeting on year 2022 budget held on 2nd August 2021 at Saki town town Hall,saki 2.) Oyo State Government Stakeholder consultative meeting on the year 2022 budget held on 29th July 2021 at Ogunlana Hall ,International Conference Centre ,University of Ibadan. 3.) Oyo State Government Stakeholders Consultative meeting on year 2022 budget held on 30th July 2021 at Award Hall, Akinyele local Government Secretariats, Moniya, Ibadan Oyo State. <p>e) 10 attendees were called to confirm their attendance at the public consultation</p> <p>f) The date of the draft budget is 28th September 2021, and the public consultations were 29th - 30th July 2021 and 2nd August 2021, IVA obtained a copy of the covering letter/ Governor's speech delivered to the Oyo State House of Assembly.</p> <p>g) The dates of the public consultations are: 29th & 30th July 2021 and 2nd August 2021 while the date of the draft budget is 28 September 2021, this shows that Consultation came first.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>h) The date of online publication of the proposed budget 2022 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://budget.oyostate.gov.ng/download/proposed-2022-budget#) This was accessed on (11/07/2022).</p>		
2	Were the minutes of the public consultations jointly prepared with CSO representatives (shown by their signature to the minutes) and posted on the official State website, alongside the proposed annual budget on or before 31 January 2022 to enable citizens to find the inputs easily?	<p>a) The names of some of the CSOs that co-signed the Minutes are Adedamola J. Gbedegeson, Bose Adediran, Kayode David, Kazeem Adebayo.</p> <p>b) The Title of the Minutes are:</p> <p>(1) Oyo State Government Stakeholder consultative meeting on the year 2022 budget held on 29th July 2021.</p> <p>(2) Oyo State Government Stakeholders Consultative meeting on the year 2022 budget held on 30th July, 2021.</p> <p>(3) Oke Ogun Zone Stakeholders Consultative meeting on the year 2022 budget and the date was 2nd August 2021.</p> <p>c) The signatories represent the following Organizations; Women leader, Dawncom, LCDA, Tradomedical.</p> <p>d) The weblink to the publication are:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>https://budget.oyostate.gov.ng/wp-content/uploads/2021/08/IBADAN-ZONE-2.pdf</p> <p>https://budget.oyostate.gov.ng/wp-content/uploads/2021/08/IBADAN-ZONE-1.pdf</p> <p>https://budget.oyostate.gov.ng/wp-content/uploads/2021/08/OKE-OGUN-ZONE-2-SAKI.pdf</p> <p>and date of publication (13/08/2021).</p> <p>This was accessed on (11/07/2022).</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 28/ 04/2021 via https://houseofassemblyservicecommission.oyo.state.gov.ng/wp-content/uploads/2021/04/OYO-STATE-CITIZEN-BUDGET-2021.pdf before the due date and was assessed (11/07/2022)</p> <p>Approved budget 2021: https://budget.oyostate.gov.ng/wp-content/uploads/2021/01/APPROVED-BUDGET-2021.pdf</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</p>	Unsatisfactory	The State should ensure that the Citizen's Budget shows specific information (figures) on how any difference between revenue and expenditure would be financed.

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>in the Citizens Budget User Manual and excel template.</p> <p>d) A review of the annual approved /citizen budget shows simple explanation of the annual approved budget /citizen budget on (page 6)</p> <ul style="list-style-type: none"> i. The sources of revenues as seen on (page 4) ii. The citizen's budget did not show the sources of domestic and foreign grants, domestic loans, and other financing sources. (Note that the Citizens' Budget did not state that grants will be applied towards financing the budget). iii. Total expenditure by economic classifications as seen on (page 8) <p>e) The total revenue, total expenditures were seen on page 3 and 4 of the Citizens Budget. The Citizen's Budget did not show Budget Deficit, Budget financing and Financing gap. However, the IVA observed that there was no budget deficit by the State in the year. The total budgeted Revenue of ₦268.7bn was equal to the total budgeted expenditure of ₦268.7bn.</p> <p>Ideally the budget should show clearly the budget deficit (excess of expenditure over revenues) and state how much is being financed through loans/grants etc, and how the deficit is being covered. The publication by Oyo State suggests there is no financing gap but does not hold specific information (figures) on how any difference between revenue and expenditure will be covered. The State should provide clarifications on this difference.</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>The State did not provide any clarification.</p> <ul style="list-style-type: none"> iv. Disclosure of Budget deficit was not seen in the Citizens Budget. v. Sectoral Allocation (by MDAs) (page 8-12) vi. As seen on (page 15) The top 5 projects to be financed are: <ul style="list-style-type: none"> (1) Construction of 26 Model Schools across all Zones in the State. (2) Construction and Rehabilitation of School and Production of Schools Furniture. (3) Construction of 21km Airport Road - Ajia - new Ife Express Road. (4) Construction of Ultra -modern Bus Terminals at challenge, Iwo Road and Ojo (5) Construction of Gedu -Orokil- Sabo and Asipa Road. f) Not all the information outlined above extracted from the Citizen Budget User Manual and Template was included in the State's Citizens Budget. The Citizen's Budget did not show Budget Deficit, Budget financing and Financing gap. However, the IVA observed that there was no budget deficit by the State in the year. The total budgeted Revenue of ₦268.7bn was equal to the total budgeted expenditure of ₦268.7bn. g) The suggested format was used. 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	<p>a) The Citizens budget did not include explanatory note as a key component /information of the approved Budget.</p> <p>We however, 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>Oyo State has established a functional feedback and response online mechanisms on its website</p> <p>The type of feedback mechanism established on the State website is the online feedback suggestion form</p> <p>The State's feedback mechanism provides at Minimum the following:</p> <ol style="list-style-type: none"> i. Acknowledgement of receipt ii. State's responses to comments/feedbacks iii. Display of timeframe and the State's government contact details <p>The IVA obtained evidence of screenshots of the items in (i to iii).</p> <p>A Test was carried out on the feedback mechanism, and this confirms its functionality. Also, a walkthrough test has been conducted guided by the States personnel. IVA posted a comment and there was a response from the State which has been retained.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>The State Ministry of finance demonstrated how they have responded to feedback and comment in the past and a screen shot of the response has been obtained and retained in the file.</p> <p>The State's feedback mechanism is functional.</p> <p>The weblink is:https://oyostate.gov.ng/oyobudget/</p>		
DLR 2.2	Citizen's Accountability Report based on audited financial statements/report published online for FY2020 not later than 30th September 2021.		Achieved	
1	Did the State prepare the Citizens Accountability Report to explain the full Annual Audit Report in a summarized form?	<ol style="list-style-type: none"> a. The IVA has downloaded the Citizens Accountability Report. b. The IVA reviewed the downloaded Citizens Accountability Report. c. The Citizen's Accountability Report was published on 29th September 2021, which was before the deadline of September 30, 2021 and the IVA has retained a copy on the File. d. The full Annual Audit Report for the year 2020 has been compared with the Citizen's Accountability Report, there were no discrepancies. e. The IVA obtained and reviewed the evidence of public consultations with Citizens to explain the FY2020 financial statement. 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
2	Has the State published a Citizens Accountability Report based on the Annual Financial statements/ Audit Report for FY 2020 not later than 30 September 2021?	<p>a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published on 29/09/2021 which was before the due date. Via https://oyostate.gov.ng/wp-content/uploads/2021/09/CITIZENS-ACCOUNTABILITY-REPORT-ON-THE-IMPLEMENTATION-OF-YEAR-2020-BUDGET.pdf and accessed by IVA on (12/09/2022).</p> <p>The weblink for the annual financial statement is seen below.</p> <p>https://ag.oyostate.gov.ng/download/oyo-state-audited-financial-reports-year-2020/</p> <p>b) A comparison of the Annual Audit Report FY20 with the Citizens Accountability Report 2020 was done and there were no areas of discrepancies.</p> <p>c) IVA has compared the Citizen Accountability Report with the suggested format provided to the State. The Citizens Accountability Report was prepared in line with the Suggested format.</p> <p>i) A review of the report showed a simple explanation of the Annual Citizen Accountability Report and the Executive Summary as seen on (pages 2-3)</p> <p>ii) The Budget Outturn (page 4 -5)</p> <p>iii) The Revenue Outturn (as) seen on page 6-8)</p> <p>iv) The Expenditure Outturn (Page 9-10)</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> v) The Audit Findings (page 11) vi) The Audited Financial Statements. as seen on (page 13) vii) Top Sectoral Allocations (pages 15-18) viii) Top Value Capital Projects. (pages 19-20) ix) Citizens-Nominated Projects-Implementation Status Report. (pages 21-22) d) The minimum required citizen's accountability report information outlined above (extracted from the Template) was included. e) The suggested format was used. 		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	<ul style="list-style-type: none"> a) The IVA observed that the Citizen's Accountability Report was presented in a summarized manner the Audited Financial Statement or Annual Audit Report FY2020. b) The Citizens Accountability Report included a concise explanation of the key components of the FY2020 Audited Financial Statement as seen in page 2 of the Citizens Accountability Report. c) The Evidence and details of public consultation with the citizens are pictures, attendance list with names, organization and phone numbers and minutes of meeting, it also included a presentation of the annual financial statements (i.e. the Citizen's Accountability Report for 2020). 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>The weblinks is : https://budget.oyostate.gov.ng/download/dissemination-of-citizens-accountability-report-on-the-implementation-of-year-2020-budget-the-peoples-budget/ and https://budget.oyostate.gov.ng/wp-content/uploads/2021/12/MINUTES-OF-CONSULTATIVE-MEETING-ON-CITIZENSS-ACCOUNTABILITY-REPORT-FOR-BUDGET-YEAR-2020.pdf</p> <p>It was held on 31st December 2021</p> <p>It is titled: Dissemination meeting of Citizens Accountability Report on the implementation of the year 2020 Budget: The People Budget.</p> <p>Copies of evidences have been obtained and retained in the assessment file.</p> <p>a) 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 (31 December 2021), The weblink of publication is:</p> <p>The weblink is https://budget.oyostate.gov.ng/download/dissemination-of-citizens-accountability-report-on-the-</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		implementation-of-year-2020-budget-the-peoples-budget/		
DLI 3: Improved Cash Management and reduced Revenue Leakages through Implementation of State TSA				
DLR 3.0	Improved cash management and reduced revenue leakages through the implementation of State TSA		Achieved	
1	Has the State established a functional State-level TSA?	<p>a. The State has established a functional state-level TSA.</p> <p>b. The State operates one account model that covers the following revenue streams:</p> <ul style="list-style-type: none"> ● IGR Main Account ● FAAC Account ● VAT Account <p>The TSA account is named, Oyo State Lead Remittance Account, provided by First Bank Plc, Account Number 2031669775.</p>	Satisfactory	
2	Is there a formally approved cash management strategy in place?	The State has an approved cash management strategy.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<ul style="list-style-type: none"> a) The document is named Oyo State Government of Nigeria, Cash Management Strategy/Framework. b) It was produced on 1st December 2019, signed by the State's Accountant General, certified by the Honorable Commissioner, Ministry of Finance, and approved by the Governor on 3rd December 2019. c) The Strategy includes the processes through which the State Ministry of Finance or Budgets/Economic Planning is able to forecast cash commitments and requirements and provide reliable information on the availability of fund (Instruments for Cash Management Strategy: Nos 2-6, Pages 6-7). d) The State provided for a sweeping policy on page 6 of the Cash Management Strategy. The timeline was not stated explicitly in the cash management strategy document as to when the cash balances will be swept from other banks to the TSA lead bank i.e., either daily, weekly, or monthly. However, a copy of a document named "Operation of Treasury Single Account in Oyo State" was obtained. It provides that " All revenue accounts in all banks are profiled to the lead bank account. Sweeping from collecting banks to lead bank takes place on every second day of the week through Xpress payment solutions platform (Cashier). Copies of the 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>statements from Xpress Payment Solution Ltd were obtained, evidencing that funds were actually swept in accordance with the directives.</p> <p>e) The state has implemented a process described in the cash management strategy to forecast cash commitments and requirements and has provided reliable information on the availability of funds (A cash plan approved by the State Governor on the 18th of January 2021 was obtained and retained in the assessment file). Statement of Cash released from January to December 2021, including TSA statements were also obtained to evidence availability of funds for operations.</p>		
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank accounts on a single electronic dashboard (based on the approved cash management strategy)?	<p>The State has a computer application where the State can view the cash balances in the bank accounts.</p> <p>a) The application name is Revenue Enhancement and Electronic Monitoring Systems (REEMS), produced by Xpress Payment Solution Ltd.</p> <p>b) The system works in line with the cash management strategy.</p> <p>c) The application software was deployed in February 2017.</p>	Satisfactory	
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by	<p>a) The IVA team visited the State Ministry of Health, Ministry of Education, and Ministry of Public Works. The respective DFAs were interviewed with other relevant govt officials in the MDAs</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	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>visited. The checks conducted at 3 MDAs confirmed that the state has a functional TSA.</p> <p>b) The TSA account is named, Oyo State Lead Remittance Account, provided by First Bank Plc, Account Number 2031669775.</p> <p>c) All govt monies go through this account.</p> <p>d) All government monies in other banks are swept weekly into the Oyo state TSA account.</p> <p>e) The TSA bank Statement was obtained.</p>														
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"> <thead> <tr> <th></th> <th>Total Inflows</th> <th>Total Outflows</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>173,818,985,574.56</td> <td>173,750,280,096.13</td> </tr> <tr> <td>Government Finances*</td> <td>215,351,073,243.17</td> <td>200,976,793,171.98</td> </tr> <tr> <td>Percentage</td> <td>80.71</td> <td>86.45</td> </tr> </tbody> </table> <p>The average is percentage computation is:</p> <p style="text-align: center;"><u>80.71% + 86.45%</u></p> <p style="text-align: center;">2</p>		Total Inflows	Total Outflows	TSA Bank Statement	173,818,985,574.56	173,750,280,096.13	Government Finances*	215,351,073,243.17	200,976,793,171.98	Percentage	80.71	86.45	Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
		<p style="text-align: center;">= 83.58%</p> <p>The TSA covered 83.58 % of the State’s finances. Source: 2021 Audited Financial Statement (Cash Flow Statement) “Statement 1-4” and 2021 TSA Statement from First Bank.</p> <p>The IVA reviewed the inflows and outflows shown on the TSA Statements and did not find spurious items that increased the year-end totals for no justifiable reason. However, there were some inflows and outflows that occurred on the same day, the team inquired from the State for explanations for these items. This was communicated to the State and they explained as follows:</p> <p>" We note your observation in respect of this DLR</p> <p>You will recall that we have offered explanation on this during the physical assessment carried out in July.</p> <p>Kindly note that the fund highlighted in your observation are live transactions emanating from designated account of the State government.</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>These receipts from their designated account are therefore transferred immediately into Lead Bank and return to their originating accounts before been expended.</p> <p>The State in a bid to ensure completeness and accountability of its receipts has mandated that State's Treasury Single Account (Lead Account) should not only be used as a clearing house for internally generated revenue alone anymore but all finances of the government e.i. FAAC, Capital Development Funds and revenue of some Parastatals and Tertiary institutions. In a bid to achieve this objective the State has to give instruction to the bank to transfer those funds to TSA as soon as those funds hit their accounts and return them to their originating accounts/banks.</p> <p>FAAC Receipts:- The State received its FAAC revenue through United Bank of Africa, New Bodija, Ibadan, equally State Salary Accounts is domiciled with UBA and State has an irrevocable obligation with UBA to pay Staff Salary by 25th of every month. (See Appendix i)</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Differentiated Cash Reserves Requirement:- This is facility approved by CBN for major Capital projects of the State in the year 2021 Budget.</p> <p>The facility is a component of Capital Development Fund of the State.</p> <p>The fund was consolidated into Oyo State Treasury Single Account in line with the position of State that all State government receipts/finances for designated accounts be transferred into TSA account of the state before such fund are expended in their tagged account.(See Appendix i)</p> <p>Tertiary Institutions and Corporations are established by Edit to control their finances, however, some of their revenue items are part of State Revenue Budget for Year 2021. To ensure that they are captured into TSA of the State and understanding is raised to move the receipt into TSA by designated banks and thereafter transfer them into originating bank of the Institutions (See Appendix ii).</p> <p>This process applied to the receipts of the Institutions highlighted in your observation e.g.</p> <ul style="list-style-type: none"> i. The Polytechnic Ibadan, ii. Ladoke Akintola University Teaching Hospital, Ogbomosho 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>iii. Emmanuel Alayande College of Education Oyo</p> <p>Above reasons accounted for the fund movement observed in the attached schedule for the items.</p> <p>As earlier stated, that, there is an understanding with Bank that all payment of this nature must be captured in State TSA account. As a result, the funds are credited as receipt to the State TSA account and returned immediately to the originating Account where it is eventually expended.</p> <p>In summary, all the highlighted transaction are real State transactions which ought to be reported, captured, and accounted for TSA but in a way that will not impede so much on the activities of the State.”</p> <p>IVA has retained the Appendix on file and as a result, no adjustments were made to the TSA Year end totals to remove the spurious entries/transactions before conducting the calculations shown above.</p>		
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection				
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and		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		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Is the collection of revenues made into account(s) nominated by the SBIR OR SIRS have full oversight of the accounts and is responsible for reporting and accounting for the revenues?	PREVIOUSLY ACHIEVED IN 2019 APA		
4	Is the code approved by the State legislature to have a legal basis, either as a law or a resolution? It cannot be an executive order with no legal basis. The approval shall occur by the 31 December of the year under assessment to count for that year, up to 31 December 2021.	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 (Stretch target met)	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																																								
1	<p>Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: 20% - 39%</p> <p>Stretch Target: 40%</p>	<p>a. Cash accounting basis 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"> <thead> <tr> <th>REPORTING TEMPLATE: OPTION B</th> <th>₱</th> <th>₱</th> <th>% GROWTH</th> </tr> <tr> <th>Item</th> <th>2020</th> <th>2021</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Reported IGR in AFS (Before Adjustments)</td> <td>38,042,733,036</td> <td>52,158,864,540</td> <td>37.1%</td> </tr> <tr> <td>3. INVALID items to be deducted IF reported as part of IGR</td> <td>9,074,067,904</td> <td>9,020,363,596</td> <td></td> </tr> <tr> <td>Paris club refund</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Reimbursements/ refunds related to expenditures (e.g., from FGN for Federal roads)</td> <td>40,556,893</td> <td>51,806,212</td> <td></td> </tr> <tr> <td>Sale of govt property, privatization proceeds</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Direct Payment to UBA FACC A/c (Fed MDA PAYE)</td> <td>8,963,383,228</td> <td>8,943,383,228</td> <td></td> </tr> <tr> <td>Investment Income (e.g. dividends)</td> <td>69,624,598</td> <td>25,176,157</td> <td></td> </tr> <tr> <td>Interest Earned</td> <td>503,186</td> <td>-</td> <td></td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION B	₱	₱	% GROWTH	Item	2020	2021		1. Reported IGR in AFS (Before Adjustments)	38,042,733,036	52,158,864,540	37.1%	3. INVALID items to be deducted IF reported as part of IGR	9,074,067,904	9,020,363,596		Paris club refund				Reimbursements/ refunds related to expenditures (e.g., from FGN for Federal roads)	40,556,893	51,806,212		Sale of govt property, privatization proceeds	-	-		Direct Payment to UBA FACC A/c (Fed MDA PAYE)	8,963,383,228	8,943,383,228		Investment Income (e.g. dividends)	69,624,598	25,176,157		Interest Earned	503,186	-		Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations
		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)	28,968,665,132	43,138,498,944	48.9%		
		<p>*Please Unpack the Miscellaneous from the notes to the Account</p> $\frac{\text{₦}43,138,498,944 - \text{₦}28,968,665,132}{\text{₦}28,968,665,132} \times 100 = 48.9\%$ <p>The annual nominal growth was 48.9% (Stretch Target)</p> <p>Source: 2021 Audited Financial Statement Pg. 12-13, 113</p>					
DLI 5:Biometric Registration and Bank Verification Number (BVN) Used to reduce Payroll Fraud							
DLR 5.1	Biometric capture of at least [95] percent of current civil servants and pensioners completed and linked to payroll, and identified ghost					Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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 Biometrics capture for civil servants in 2017.</p> <p>a) Biometrics capture was outsourced to Soft Alliance and Resources Limited.</p> <p>b) The total number of civil servants is 29,528</p> <p>c) The total number of pensioners is 18,709</p> <p>d) The total number of civil servants and pensioners on the State Nominal roll is 48,358 (29,528 Civil servants and 18,830 pensioners) whilst the total number on the state payroll is 48,237 (29,528 Civil servants and 18,709 pensioners).</p> <p>e) The total number of civil servants and pensioners on the payroll changed (increased) by 13.70% in comparison with the previous year. In 2020 the numbers were 41,627 and in 2021 the numbers were 48,237, see computation below:</p> $\frac{48,237 - 41,627}{41,627} \times 100$ $= 13.70\%$ <p>The State was able to provide satisfactory explanations and evidence for the changes. The reason for the growth in payroll was as a result of massive recruitment which occurred during the year 2021, especially for teachers who had the most recruitment of workers. Copies of the</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>approval for recruitment have been obtained as evidence and retained in the assessment file.</p> <p>f) The total of 47,691 persons (29,528 Civil servants and 18,163 pensioners) biometric data have been captured</p> <p>g) The documents obtained to serve as evidence are: Oyo State Pensions Board Reconciliation/Analysis of Payment of Pensions for December 2021, Report on Biometric/BVN Linked to payroll, Details of staff strength as at 31st December 2021, Screenshots from states payroll system and Copies of approval for recruitment.</p> $\frac{47,691}{29,528+18,709} \times 100 = 98.87\%$ <p>The State had captured 98.87% biometrics of the State's civil servants and pensioners on its payroll.</p>		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<p>a) The State commenced the linkage of the biometric data to the payroll in 2017</p> <p>b) The total of 47,691 instance of biometric data (29,528 Civil servants and 18,163 pensioners) have been linked to the payroll</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>c) No ghost workers were detected during the biometric validations.</p> <p>d) No ghost workers were detected during the biometric validations hence no savings occurred.</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.</p> <p>“I am Alive verification” for pensioners is carried out to verify the status of pensioners, screening and data capturing are also conducted on a regular basis to confirm the status of pensioners. Copy of the exercise timetable was obtained.</p> <p>For civil servants’ monthly payroll biometric verification exercises are conducted at various MDAs to ensure timely reflection of leavers, retirees and deaths. A copy of this report has been retained in the assessment file.</p> <p>g) There were changes to the civil servant and pensioner payrolls during the fiscal year as a result of starters, leavers and deaths.</p> <p>h) These changes were captured by the biometric exercise.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		i) Monthly payroll biometric verification exercises are conducted at various MDAs to identify and remove ghost workers.		
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	a) No ghost workers were detected during the linkage. b) No record was maintained by the State for identified ghost workers.	Satisfactory	
5.2	Link BVN data to at least [95] percent of current civil servants and pensioners on the payroll and payroll fraud addressed		Achieved	
1	Has the State linked the Bank Verification Number data to 95% of its current Civil Servants and pensioners on the State payroll?	The State commenced BVN verification in February 2018. a) The exercise was outsourced to Soft Alliance and Resources Limited b) The total number of Civil servants and pensioners on the state's payroll is 48,237 (29,528 civil servants and 18,709 pensioners) c) The total number of civil servants and pensioners on the State Nominal roll is 48,358 (29,528 Civil servants and 18,830 pensioners)	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) A total of 46,191 (28,068 civil servants and 18,123 pensioners) BVN have been linked to the payroll</p> <p>e) The documents obtained to serve as evidence are: Oyo State Pensions Board Reconciliation/Analysis of Payment of Pensions for December 2021, Report on Biometric/BVN Linked to payroll, Details of staff strength as at 31st December 2021 and Screenshots from state's payroll system.</p> $\frac{46,191}{29,528 + 18,709} \times 100 = 95.76\%$ <p>The State has linked 95.76% of the State's civil servants and pensioners' BVN data to the payroll.</p>		
2	Has the State taken steps to identify payroll fraud?	<p>a) The total of Civil servants and pensioners with BVN is 46,191 (28,068 civil servants and 18,123 pensioners) whilst the Total number without BVN is 2,046 (1,460 civil servants and 586 pensioners)</p> <p>b) No payroll fraud was identified during the year under review.</p> <p>c) The source of the information above was obtained from the Report on Biometric/BVN Linked to payroll, Details of staff strength as at 31st December 2021.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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 2018 APA	
1	Does the State have a public procurement legal framework that must be approved by the State legislature to have a legal basis, either as a law or a resolution?	Previously Achieved in 2018 APA		
2	Does the law conform with the UNCITRAL Model	Previously Achieved in 2018 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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.			
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 2018 APA		
DLR 6.2	No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>AND</p> <p>For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available.</p>			
1	<p>Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2021) that are above the threshold (as defined in the State procurement law or the State procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?</p>	<p>a) The IVA obtained a schedule of all contracts awarded during the year under assessment.</p> <p>b) The IVA compared the online publication of contract awarded with the hard copy of the list of contracts obtained directly from the State and there were no omissions or differences observed. The IVA also compared the Sum of total Contract awarded of ₦ 193,039,193,067.11 and the CAPEX Outturn of ₦73,508,225,416.16 and observed a difference of ₦119,530,967,650.95. The team sent an APA issue to request for clarification for the difference and the State replied that its 2021 AFS was prepared on cash basis. Also, that the State adopts Alternative Project Funding Approach (APFA-Contractor Financing) for project financing which requires huge documentation from banks</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>and makes some projects extend to the previous year when they are not approved early. Lastly, that most of their contracts are long-term, span beyond one year and their payments sometime overlapped into other years.</p> <p>c) The state published all contracts awarded for the year above the 5 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> <p>f) The source of the publication is: https://ocdsoyo.oyostate.gov.ng/tables 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 minimum contract award information that was published:</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) Upon review, the IVA observed that all contracts' items from (f) above were published.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> i) The source of the publication is: https://ocdsoyo.oyostate.gov.ng/tables. j) The contract award information published on the state website is accessible to the public. 		
2	Has the State implemented e-Procurement in at least 4 MDAs (including Education, Health, and Public Works) by June 30, 2022. The e-Procurement for the 2021 results DLI is the implementation of at least five modules: e-Registration, e-Publishing/Notification, e-Procurement Plan, e-Tendering and e-Evaluation/e-Awarding?	<ul style="list-style-type: none"> a) The state has not implemented e-procurement in at least four (4) MDAs (Education, Health, Public Works and Energy). b) The IVA obtained the report on all transactions for the four MDAs during the specified period. c) The IVA obtained a separate report for all four MDAs from the Accountant-General. d) The state go-live date is December 2021, the go-live date for e-procurement evidence was obtained to prove the go-live date. e) The IVA compared the system generated report to the report from the Accountant-General's report. f) The IVA took samples and performed a walk through test on the available transactions for all MDAs as some MDAs had less than five (5) transactions. Health- 5 Works- 3 Energy- 1 Education- 2 g) The selected transactions followed the procurement lifecycle. h) No parts of the transactions were conducted outside of the e-procurement system. i) Based on review, the IVA confirmed that the State has a different format for their e-procurement system which includes e-Purchase Requisition, e- 	Unsatisfactory	<p>The State should ensure it implements e-procurement in its MDAs.</p> <p>The e-procurement portal should be made available to the public</p>

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>Awarding, E-publishing, requisition plans, vendor profile and contract award modules have been implemented and transactions processed through them for the period 1 January 2021 to 30 June 2022.</p> <p>j) Based on review, the State had 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 of the transactions passing through all the modules in the e-procurement system.</p> <p>l) Further reviews revealed the following: The 'Procurement' tab from the State website gives a drop-down menu for which clicking on 'Tenders' gives the same OCDS portal with 304 contracts as noted earlier.</p> <p>The page does not contain any information on ongoing or upcoming tenders, the evaluation process etc. It lists awarded contracts and of these there are only 10 out of the 304 are for 2022, and only the Ministry of Works is on the list of 10 awards (out of the three specified MDAs – Works, Health and Education) (all screenshots retained).</p> <p>The above indicates that the e-procurement system is not in operation. No evidence was seen of procurement plans, e-publication/e-notification, e-tendering, e-evaluation.</p>		

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>2022 awards were however seen among the list of 304 published contracts. However, there are only 10 contract awards on the portal for 2022, of which only the Min of Works had awards out of the three specified MDAs for the implementation of e-procurement.</p> <p>The above indicates the e-procurement system is not implemented at the minimum number of specified MDAs.</p> <p>A separate e-procurement portal link was provided initially: https://bpp.oyostate.gov.ng/Home.aspx).</p> <p>This link yields an e-procurement portal for the State BPP. No link to this site was seen on the State website.</p> <p>This portal holds information on vendor registration. It also holds procurement plans as at March 2022 for the three specified MDAs.</p> <p>It also has a section for notifications/publications of opportunities although no information was shown. There was no link to previous publications/notifications. There was also no link to ongoing tenders, tender evaluation, awarded contracts etc.</p> <p>(All screenshots retained).</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>The portal does not appear to be in use, and several of the key requirements/modules are missing.</p> <p>IVA observed that only registered users can access information relating to them based on the profile opened for them after registration. It does not give access on the State's e-procurement activities which is contrary to the requirements of the verification protocol, and that would indicate the State has failed to meet the expected transparency requirements for this result.</p>		
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.		Previously Achieved in 2019 APA	
1	Is there an Approved state-level public debt legislation through the passage of a State Fiscal	Previously Achieved in 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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?			
2	Does the legislation include provisions that establish the following? 1) Responsibilities for contracting state debt; 2) Responsibilities for recording/reporting state debt; and 3) Fiscal and debt rules/limits for the state.	Previously Achieved in 2019 APA		
4	Has the State Debt Management Department (or Unit, Committee, Agency, Board, Bureau, Commission, Council) been operational during the APA year and performing the core	Previously Achieved in 2019 APA		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	function of recording and reporting state debt?			
DLR 7.2	<p>Quarterly state debt reports accepted by the DMO on average two months or less after the end of the quarter in 2021</p> <p>AND</p> <p>Annual state debt sustainability analysis and Medium-term debt management strategy published by end of December 2021</p>		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 (13/8/21) 44 days, ● Q3 submitted on (11/11/21) 42 days, 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> Q4 submitted on (14/2/2022) 45 days. <p><u>44+44+42+45</u> 4</p> <p>Average = 43.75 days (6.25 weeks)</p> <p>The SDDR were submitted within an average of 1.46 months (43.75 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 was obtained.</p> <p>We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with the Oyo 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</p>	N/A	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>made to correct errors and omissions in the state's submission to the DMO. Conclusions reached in this report are based on the amended DMO data.</p> <p>b) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State has been compared with the State Audited Financial Statement.</p> <p>c) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement</p> <p>d) There were discrepancies noted during the comparison.</p> <p>Budget support loan:</p> <p>I. SDDR Figure: N 17,438,472,222.45</p> <p>II. AFS Figure: N 15,498,906,447.29</p> <p>III. Difference: N 1,939,565,775.16</p> <p>Bail out Salaries:</p> <p>I. SDDR Figure: N 15,355,496,410.77</p> <p>II. AFS Figure: N 15,391,358,884.90</p> <p>III. Difference: N 35,862,474.13</p> <p>Restructured commercial bank loans</p> <p>I. SDDR Figure: N 8,282,075,430.22</p> <p>II. AFS Figure: N8,280,122,306.64</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>III. Difference: N1,953,123.58 Excess crude backed loans</p> <p>I. SDDR Figure: N 8,963,720,965.35</p> <p>II. AFS Figure: N 8,985,324,653.87</p> <p>III. Difference: N 21,603,688.52 Covid 19 Intervention fund</p> <p>I. SDDR Figure: N 1,549,621,199.65</p> <p>II. AFS Figure: N 2,060,015,566.31</p> <p>III. Difference: N 510,394,366.66</p> <p>e) An APA Issue report was forwarded to the state to explain the reason for the discrepancies</p> <p>f) The State Domestic and External Debt Report (SDEDR) was obtained from the Federal DMO and comparison with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State was done.</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 15 December 2021</p> <p>c) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published by 31 December 2021. Screenshots</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>of backend timestamp was obtained as evidence to confirm the date of online publication.</p> <p>d) https://finance.oyostate.gov.ng/wp-content/uploads/2021/12/UPDATED-OYO-STATE-2021-DEBT-SUSTAINABILITY-ANALYSIS-AND-DEBT-MANAGEMENT-STRATEGY.pdf</p>		
4	<p>Does the SDSA - DMSR include the following: 1) medium-term budget forecasts; 2) detailed and adequate description of the debt portfolio and borrowing options; including a summary analysis of the projections of performance indicators used to assess Debt Management Strategy, and their implications for cost-risk profile of State debt portfolio in 2025; and 3) adequate analysis of the debt and fiscal figures in the preceding calendar year?</p>	<p>Upon review of the SDSA -DMSR, it included the following:</p> <p>(1) Adequate presentation of medium-term budget forecasts, including:</p> <p>(a) Presentation of MTB forecasts in a table with projected annual figures from 2021 to 2024.</p> <p>(b) Description of assumptions underpinning the MTB forecasts from 2021 to 2024 in a table with assumptions and corresponding explanations in writing</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 of adequate quality, and does not contain illogical statements (e.g. negative figures for debt stock; contradictory or illogical statements or arguments, etc.)</p> <p>(2) A detailed and adequate description of the debt portfolio and borrowing options, including:</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<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 in a table with assumptions and 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 were of adequate quality, and does 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, for at</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>least 2020: in both a table and charts with historical figures for at least 2020</p> <p>(b) A summary analysis of the information presented on revenue, expenditure, budget balance, and debt in 2020: analysis (in writing) of fiscal and debt situation in 2020.</p> <p>(c) The presentation and analysis in the entire historical period is of adequate quality, and do not contain illogical statements (e.g. negative figures for debt and borrowing projections; contradictory or illogical statements or arguments, etc.)</p> <p>b) A review and comparison between the information (figures) contained in the assessment report of the SDSA-DMSR obtained from the DMO and the SDSA-DMSR obtained from the State Website was done</p> <p>c) No differences were Identified</p>		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	Domestic arrears as of end 2020 and end 2021 reported in an online		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>publicly accessible database, with verification process in place.</p> <p>AND</p> <p>Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p><u>Basic Target:</u> At least a 5 percent decline or maintain stock below 5 billion naira</p> <p><u>Stretch Target:</u> More than 20 percent decline</p>			
<p>1 Has the State established an Arrears Clearance Framework (ACF)?</p>	<p>a) The State has established an Arrears Clearance Framework (ACF)</p> <p>b) A copy of the ACF was obtained from the State</p> <p>c) The establishment of the ACF occurred by 23 December 2019</p> <p>d) 24 months is the duration of time between the establishment of the ACF and the 31st December</p>	<p>Satisfactory</p>	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		2021 year-end, and this is adequate to allow time for the implementation of the ACF		
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an explicit prioritization of expenditure arrears to be settled.	<p>a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.</p> <p>b) Pages 16-17 contain the evidence when reviewing the ACF that shows the ACF contains the two stated requirements.</p> <p>Other documents submitted by the state to confirm the ACF exists and any other work done is a review of the SARVCR and SDDR.</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) We have downloaded a copy for validation</p> <p>c) The weblink of publication is: https://old.oyostate.gov.ng/wp-content/uploads/2020/08/OYO-STATE-GOVERNMENT-DOMESTIC-ARREARS-CLEARANCE-FRAMEWORK-2019.pdf</p> <p>A Screenshot of the back-end timestamp was obtained to confirm the date of publication.</p>	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	<p>The clearance of domestic expenditure arrears is consistent with the ACF</p> <p>The IVA confirmed that the clearance of arrears is consistent with the ACF by reviewing the schedule of arrears payment and SARVCR report The IVA confirmed that payment was in line with the</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		Prioritization policy stated in the ACF. The result showed that the clearance of Arrears in 2021 was consistent with the ACF.		
5.	Has the State established an Internal Domestic Arrears Database?	<p>a) The State has established an Internal Domestic Arrears Database</p> <p>b) The Internal Domestic Arrears Database includes the following:</p> <ul style="list-style-type: none"> a. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, at a minimum, the internal domestic arrears database included the name of the contractor, the amount due at the end-of-year, the nature of the goods and services procured that generated the claim, and billing data (as applicable). The database should showed the total domestic arrears stock at the end of each year. b. The aggregate amount of pension and gratuity arrears. c. The aggregate amount of salary arrears and other staff claims. d. The aggregate amount of other types of domestic arrears <p>c) There is a verification process in place for the arrears in the database.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>d) The evidence provided by the State to show that verification of arrears balances was conducted is the SARVCR for 2021.</p> <p>e) We conducted tests to ascertain the accuracy of the figure in the internal domestic arrears database, including cross-checking with State account balances, payroll records, underlying contract data, etc., and there were no discrepancies.</p> <p>f) The state submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR).</p>		
6	Has the State published online elements of the internal domestic arrears database for the FY 2020 and FY 2021 reported on a State official website, which constitutes the online publicly accessible arrears database?	<p>a) The State has published online the required elements of the Internal Domestic Arrears Database as at the end of 2020 and 2021</p> <p>b) The IVA compared the aggregate and individual information available on the online publicly-accessible arrears database with the information in the internal domestic arrears database and verified the consistency and accuracy of the information on the online publicly-accessible arrears database.</p> <p>c) The website supporting the online publicly-accessible arrears database contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>filling a confidential form online and attaching supportive evidence of her claim. If the State Ministry of Finance confirms the validity of this claim, it shall be added to the internal domestic arrears database and included as relevant in the online publicly accessible arrears database.</p> <p>d) We confirmed that the online web pages include a facility for contractors with arrears (creditors) to report any omissions to the State.</p> <p>e) The IVA performed a test on the online web page by making an inquiry, and an auto response was received. Screenshot of the inquiry and response have been obtained and retained in the assessment file</p> <p>f) No records of omissions were reported by contractors during the year hence no record of omissions was maintained by State.</p> <p>g) No records of omissions were reported by contractors during the year, hence no records of omissions were found to be valid and subsequently included in the State Internal Domestic arrears database.</p> <p>h) The weblink of the arrears database is https://finance.oyostate.gov.ng/download/oyo-state-contractor-arrears-database-and-other-domestic-debt-2021/</p>		
7.	Does the online publication include?	The online publication includes the aggregate amount for the four types of arrears.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations								
	<p>1) the aggregate amount of contractors' arrears.</p> <p>2) the aggregate amount of pension and gratuity arrears.</p> <p>3) the aggregate amount of salary arrears and other staff claims.</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are being accurately reported in the database.</p>	The online publication contains the names of contractors owed ₦20m in arrears and above.													
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</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>4,338,068,360.63</td> <td>5,259,949,489.82</td> <td>17.53</td> </tr> </tbody> </table>				Aggregate Amount of:	2021	2020	% diff.	Contractors Arrears	4,338,068,360.63	5,259,949,489.82	17.53	Unsatisfactory	The State should ensure a reduction of domestic arrears debt stock to below ₦5 billion
Aggregate Amount of:	2021	2020	% diff.												
Contractors Arrears	4,338,068,360.63	5,259,949,489.82	17.53												

Disbursement Linked Indicators (DLIs) and Tests	Findings				Conclusion	Recommendations
<p>2020 meets target and is consistent with the state's arrears clearance framework.</p> <p>Basic target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch target: More than 20 percent decline</p> <p><i>The clearance/reduction of domestic expenditure arrears (contractors, pension and gratuity arrears, salary arrears, and other staff claims) is defined as the decline in the nominal stock of total domestic expenditure arrears at the end of the year, compared to the previous year, expressed in percentage terms.</i></p>	Pension and Gratuity arrears	29,935,642,098.27	29,125,589,895.59	-2.78		
	Salary arrears and Staff claims	0.00	0.00	0.00		
	Judgment Debt	106,468,643.85	106,468,643.85	0.00		
	Other types of domestic expenditure arrears	0.00	0.00	0.00		
	Total Domestic Arrears	34,380,179,102.75	34,492,008,029.26	0.32%		
	<p>a. We obtained the Domestic arrears figure from the State Internal Domestic Arrears (SIDA) database, and confirmed it was the same as the balances stated within the SDDR and the AFS for 2021.</p> $\frac{34,492,008,029.26 - 34,380,179,102.75}{34,492,008,029.26} \times 100 = -0.32\%$ <p>The percentage decline is 0.32%</p>					

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations						
		Source: State internal domestic expenditure arrears database								
DLI 9: Improved Debt Sustainability										
DLR 9.0	<p>Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021</p> <p>AND</p> <p>Total debt stock at end of December 2021 as a share of total revenue for FY 2021 meets target:</p> <p>-Basic target: < 120%</p> <p>-Stretch target: < 95%</p>		Not Achieved							
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31st December 2021) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2021)?</p> <p>-Basic target:< [120%]</p> <p>-Stretch target: < [95%]</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p><u>Total Public Debt*</u></p> <table border="1"> <thead> <tr> <th></th> <th>Financial Statements</th> <th>DMO/ SDEDR Figures</th> </tr> </thead> <tbody> <tr> <td>Total Domestic Debts</td> <td>142,317,822,894.93</td> <td>162,933,332,172.52</td> </tr> </tbody> </table>		Financial Statements	DMO/ SDEDR Figures	Total Domestic Debts	142,317,822,894.93	162,933,332,172.52	Unsatisfactory	The State should reduce its debt to revenue ratio and ensure debt is sustainable. As a general guide, debt should not be more than 95% of Revenues and should ideally be much less.
	Financial Statements	DMO/ SDEDR Figures								
Total Domestic Debts	142,317,822,894.93	162,933,332,172.52								

Disbursement Linked Indicators (DLIs) and Tests	Findings		Conclusion	Recommendations										
		<table border="1"> <tr> <td>Total External Debts</td> <td>35,214,673,769.29</td> <td>35,214,673,768.44</td> </tr> <tr> <td>Total Public Debts</td> <td>177,532,496,664.22</td> <td>198,148,005,940.97</td> </tr> </table>	Total External Debts	35,214,673,769.29	35,214,673,768.44	Total Public Debts	177,532,496,664.22	198,148,005,940.97						
Total External Debts	35,214,673,769.29	35,214,673,768.44												
Total Public Debts	177,532,496,664.22	198,148,005,940.97												
		<p><u>Total Annual Revenue</u></p> <table border="1"> <tr> <td>2021 Adjusted IGR (See DLI 4.2)</td> <td>43,138,498,943.90</td> </tr> <tr> <td>Gross FAAC Allocation**</td> <td>86,625,950,709.00</td> </tr> <tr> <td>Grants</td> <td>5,505,999,685.00</td> </tr> <tr> <td>Other Revenues</td> <td>11,000,237,037.58</td> </tr> <tr> <td>Total Revenue</td> <td>146,270,686,374</td> </tr> </table>	2021 Adjusted IGR (See DLI 4.2)	43,138,498,943.90	Gross FAAC Allocation**	86,625,950,709.00	Grants	5,505,999,685.00	Other Revenues	11,000,237,037.58	Total Revenue	146,270,686,374		
2021 Adjusted IGR (See DLI 4.2)	43,138,498,943.90													
Gross FAAC Allocation**	86,625,950,709.00													
Grants	5,505,999,685.00													
Other Revenues	11,000,237,037.58													
Total Revenue	146,270,686,374													
		<p>a. The IVA is yet to obtain the State Domestic and External Debt Report (SDEDR) from the Federal DMO to confirm if it is at 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> $\frac{177,532,496,664.22 \times 100}{146,270,686,374} = 121.37\%$ <p>DMO Computation:</p> $\frac{198,148,005,940.97 \times 100}{146,270,686,374}$												

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p style="text-align: center;">146,270,686,374 = 135.47%</p> <p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:</p> <p style="text-align: center;"><u>16,360,713,440 x 100</u> 86,625,950,709 = 18.9%</p> <p>b. The debt stock stated in the Federal DMO State Domestic and External Debt Report has been compared with the Audited Financial Statement.</p> <p>Sources:</p> <ol style="list-style-type: none"> 1. For Total Revenue 2021 Audited Financial Statement, Page 12 (cash flow statement No.1) 2. For Total Public Debt from DMO* as at December 31, 2021 3. NBS/OAGF (FAAC) <p>*Table 3(i) below holds a breakdown of the Total Debt.</p> <p>** Refer to the FAAC table on DLI9 provided.</p>		

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

S/N	OYO STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	22,021,729,672.49
2	BAIL OUT (SALARIES) (SOURCE CBN)	24,951,488,345.37
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	8,280,122,306.22
4	EXCESS CRUDE ACCOUNT-BACKED LOAN (SOURCE CBN)	9,730,756,182.95
5	STATE BONDS	-
6	COMMERCIAL BANK LOANS	1,759,595,814.73
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	5,450,914,503.48
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	-
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	50,000,000,000.00
11	HEALTHCARE DEDUCTIONS	2,060,015,566.31
12	BRIDGE FINANCE FACILITY	3,053,241,757.40
13	FAMILY HOMES FUND	-
14	ANCHOR BORROWERS PROGRAMME	-
15	OTHER FGN INTERVENTIONS	-
16	MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF)	1,232,443,920.83
17	JUDGEMENT DEBTS	106,468,643.85
18	GOVT - GOVT DEBTS	-
19	CONTRACTORS' ARREARS	4,338,068,360.63

S/N	OYO STATE	2021 - AMOUNT (₦)
20	PENSION AND GRATUITY ARREARS	29,935,642,098.27
21	SALARY ARREARS AND OTHER CLAIMS	-
22	OTHER DEBTS	12,845,000.00
	TOTAL DOMESTIC DEBT (TDD)	162,933,332,172.52
	TOTAL EXTERNAL DEBT (TED)	35,214,673,768.44
	TOTAL PUBLIC DEBT (TED+TDD)	198,148,005,940.97

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

TEMPLATE: OPTION A	₦
Item	2021
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	86,625,950,709
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	46,638,922,304
1.1.1 Gross statutory allocation	39,596,216,431
1.1.2 Derivation	-
1.1.3 Other FAAC transfers (also known as Distribution) such as excess PPT savings account, Forex equalization, excess bank charges, exchange rate gain, augmentation, others	7,042,705,873
1.2 VAT	39,987,028,405

2. Internally Generated Revenues (IGR) - Adjusted	43,138,498,944
3. Grants (internal and external)	5,505,999,685
4A. Other revenues (4.1 + 4.2 + 4.3)	11,000,237,037
4.1 Investment Income (e.g. dividends)	25,176,157
4.2 Interest Earned	-
4.3 Miscellaneous	10,975,060,880
Total Revenues and Grants Calculations	
A) Total Revenues and Grants is (1+2+3+4A)	146,270,686,374

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>DLI 6.2</p> <p>We noted your observation on DLI6.2 and your conclusion at the tail end of the report that:</p> <ol style="list-style-type: none"> 1. The publication of opportunities is based on available opportunities end-dates. Ongoing tender are displayed to logged in users subject to permission and roles. i.e You must be a registered user to view available opportunities. 2. All the modules of a standard procurement system are available on the portal. However, links to menu are subject to user roles and permission. 3. The link is in the drop down tab on the Oyo State Website homepage called "Procurement". BPP Portal is clearly listed under the drop down. It is very visible. 4. There is nowhere in the verification protocol where states were restricted to 5 transactions for each of the four Pilot MDAs. The Projects used for the pilot MDAs reflected the available contracts for the Pilot MDAs <p>Conclusion</p> <p>We wish to put on record that the IVA team during their visit were taken through the e-procurement process and were able to navigate all the features necessary for the report. It is important to note that access to the portal is role based and you must register as a vendor to view opportunities. You may equally recheck through the process to confirm our position. Based on the above, our portal is functional, active and in use. All transactions were captured by the system.</p>	<p>IVA notes the State's response, however, the issue of only registered users that can access the information was not addressed as this implies that the State has failed to meet the expected transparency requirements for this result.</p> <p>IVA's findings remain valid.</p>
2	<p>DLI 9</p> <p>We noted that the IVA computation by DMO is far from the reality because some of the figures are under contention. However, we will appeal that the issue be treated with magnanimity base on the figure generated from Audited Financial Statements from the stand point of ratio of 121.37% computed which is too close to the target with a deviation of -1.37%</p>	<p>Table 3(i) shows the breakdown of the States Domestic Debt Records provided by the Federal Debt Management Office for Oyo State.</p> <p>Recall that the Requirements of the Verification Protocol states "...State debt stock data used to calculate the debt-to-revenue indicator will be primarily obtained from the annual State Domestic and External Debt Report (SDEDR) for each state issued by the DMO for the year under assessment..."</p>

S/N	State Response to the draft report	IVA Follow-up, response, treatment
		<p>Thus, the records utilized by the IVA is consistent with the requirements of the verification protocol and so, the results remains valid.</p> <p>This has also been applied consistently across all the State.</p>
3		
4		