



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

2021 Annual Performance Assessment (APA) Report

RIVERS STATE

By:

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



FINAL REPORT

DECEMBER 2022

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1. Executive Summary

This report details the outcome of the Annual Performance Assessment (APA) conducted on Rivers 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 Rivers State and shows areas where the State was able to achieve results. In total, Rivers State achieved 5 (Five) DLRs out of 15 DLRs applicable to the 2021 APA of which 1 (One) DLR was achieved in the 2020 APA.

Table 1: Assessment Results

Key:	Achieved	Not Achieved	Previously Achieved
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Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
DLI 1: Improved financial reporting and budget reliability	DLR 1.1: FY21 quarterly budget implementation reports for Q1, Q2, Q3 and Q4 published on average within 4 weeks of quarter-end to enable timely budget management		
	DLR 1.2: FY21 deviation for total approved original budget expenditure is < 15%		Budget deviation is -25.63%
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.		<ul style="list-style-type: none"> ● The minutes of the public consultation were not published online. ● The Proposed Budget was not published on the State website. ● The Citizen's Budget was not published on the State website. ● The public consultation was not with the participation of the Local Government. ● The State did not establish a functional feedback mechanism on the State website.
	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.		The State did not organize a public consultation in presenting the annual financial statements.

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
<p>DLI 3: Improved cash management and reduced revenue leakages through the implementation of State TSA</p>	<p>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.</p>		<ul style="list-style-type: none"> • The State did not have a functional TSA • The State did not have a Cash Management Strategy • The State TSA did not cover a minimum of 80% of the Government finances.
<p>DLI 4: Strengthened Internally Generated Revenue (IGR) collection</p>	<p>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</p>		<ul style="list-style-type: none"> • Revenue code does not include all sources of revenue for Local Governments
	<p>DLR 4.2: 2020-2021 annual nominal IGR growth rate meets target -Basic target: 20%-39% -Stretch target: 40% or more</p>		<p>The IGR growth rate was 15%</p>
<p>DLI 5: Biometric registration and Bank Verification Number (BVN) used to reduce payroll fraud</p>	<p>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</p>		
	<p>DLR 5.2: Link BVN data to at least 95 percent of current civil servants and pensioners on the payroll and payroll fraud addressed</p>		
<p>DLI 6: Improved procurement practices for increased transparency and value for money</p>	<p>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</p>		<ul style="list-style-type: none"> • The Law is structured like the UNCITRAL Model Law but does not comply with the requirements.
	<p>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</p> <p>AND</p> <p>For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State's procurement law/regulation every month in OCDS format on the state website or online portal if available</p>		<ul style="list-style-type: none"> • The State did not implement e-procurement in at least 4 MDAs by the due date. • The State did not implement the e-Registration, e-Publishing/Notification, e-Tendering and e-Evaluation/e-Awarding modules
<p>DLI 7: Strengthened public debt management and fiscal responsibility framework</p>	<p>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.</p>	<p>2020</p>	

Disbursement Linked Indicators	Disbursement Linked Results	Results	Remarks
	<p>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.</p>		<ul style="list-style-type: none"> • The quarterly SDDR were not submitted/accepted within the required timelines. • The Annual State Debt Sustainability Analysis report and medium term debt management strategy report (SDSA-DMSR) was not published by the due date • The SDSA-DMSR did not include a Medium-Term Budget forecast. • The SDSA-DMSR did not include a detailed description of the State's debt portfolio and borrowing options.
<p>DLI 8: Improved clearance/reduction of the stock of domestic expenditure arrears</p>	<p>DLR 8: Domestic arrears as of end 2020 and end 2021 reported in an online publicly-accessible database, with verification process in place.</p> <p>AND</p> <p>Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p>Basic target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch target: More than 20 percent decline</p>		<ul style="list-style-type: none"> • The clearance of domestic expenditure arrears was not consistent with the ACF. • The State has not established an Internal Domestic Arrears Database. • The State did not publish online lists of contractors with recognized arrears exceeding ₦20 million. • The state contractors cannot verify that their claims are accurately reported
<p>DLI 9: Improved debt sustainability</p>	<p>Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021</p> <p>AND</p> <p>Total debt stock at end of December 2021 as a share of total revenue for FY2021 meets target: Basic target: < 120%, Stretch target: < 95%.</p>	<p>Stretch Target Met</p>	

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

1. **DLR 1.2:** Expenditure outturn deviation is reduced to a level within the annual limits proposed by the programme.
2. **DLR 2.1:** Conduct of at least one public consultation on the proposed budget with the participation of citizens, citizens' groups, state-based CBOs and state-based CSOs. The minutes of the consultation should be jointly

- prepared and signed with the CSOs representatives and be posted on the State's website with the proposed budget on or before the deadline for the publication of the approved annual budget. States should publish online the citizens budget based on the approved budget and should be accompanied by the establishment of a functional state online feedback mechanism.
3. 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 the due date.
 4. DLR 3.0: Develop a functional State-level TSA where all Government revenues (IGRs ad FAAC) are credited into before expenditure. Formally approve and implement a cash management strategy. Increase the percentage of state government finances flowing through the TSA to eventually ensure that all government finances flow through the TSA.
 5. DLR 4.1: Review for amendments, the Revenue Law (alongside with the revenue code). The revenue law should clearly state the revenues' sources (including the Local Governments sources). The amended revenue law and code should be published online.
 6. DLR 4.2: Improve its IGR collection to achieve significant year on year growth in nominal IGR.
 7. DLR 6.1: Amend the Procurement Law to comply fully with the provision for the establishment of an independent Procurement Regulatory Agency per the UNCITRAL Model Law.
 8. 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.
 9. DLR 7.2: Domestic Debt Stock reports are accepted by the DMO and annual State debt sustainability analysis and Debt Management Strategy Report is published within the required timeframe. The Annual State Debt Sustainability Analysis and Debt Management Strategy Report includes Medium Term Budget forecast; A detailed description of the State's debt portfolio and borrowing options; A summary analysis of the projections of performance indicators used to assess DMS throughout the period 2021-2025, and their implications for cost-risk profile of State debt portfolio in 2025.
 10. DLR 8: A Domestic Arrears Clearance Framework (ACF) is established and an internal domestic arrears database with relevant balances is placed online through a publicly accessible portal. 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%.

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

2. Introduction

2.1 Overview

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

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

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

The Auditor-General for the Federation was appointed as the Independent Verification Agent (IVA) for the SFTAS Programme and PricewaterhouseCoopers (PwC) was subsequently engaged to support the IVA. Both parties have worked together to assess the performance of the State against the Disbursement Linked Results (DLRs) for 2021. To ensure a high-quality assessment, the IVA engaged the services of the Debt Management Office (DMO) to review the returns in place in the State.

2.2 Scope

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

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

In advance of the performance assessments, all States were provided with the detailed information requirements for the assessments, a proposed itinerary for the assessment visit, and a template with which to report the results achieved. The assessments were conducted between (18/07/2022 and 22/07/2022) with a team of six persons, starting with an opening meeting where all the information requested was to be handed over. The visits were concluded with an exit meeting where initial findings were discussed, and each state was given a further opportunity to provide clarifications and/or additional information.

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

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

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

3. Assessment Results

3.1 Findings

Table 2: Findings

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
DLI 1: Improved Financial Reporting and Budgeting Reliability				
DLR 1.1	Financial Year [2021] quarterly budget implementation reports published on average within [4 weeks] of quarter end to enable timely budget management		Achieved	
1	Has the State published its quarterly budget implementation report to the State official website on average within four weeks of the end of each quarter?	The Quarterly Budget Implementation Reports were posted online on Q1- 2021 https://www.riversstate.gov.ng/2021-q1-budget-performance-report-jan-mar/ Q2- 2021 https://www.riversstate.gov.ng/2021-q2-budget-performance-report-apr-jun/ Q3- 2021 https://www.riversstate.gov.ng/2021-q-3-budget-performance-report-july-september/ Q4- 2021 https://www.riversstate.gov.ng/2021-q4-budget-performance-report-october-december/	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>The State website was accessed on (20/07/2022).</p> <p>Dates of online publication are as follows:</p> <ul style="list-style-type: none"> ● Q1 – (4/28/2021) - 4 weeks (28 days) ● Q2 – (7/28/2021) - 4 weeks (28 days) ● Q3 – (10/28/2021) - 4 weeks (28 days) ● Q4 – (1/27/22) - 3.85 weeks (27 days) <p>Average days (weeks) for the online publication was computed based on the last 4 quarters, as below:</p> $\frac{28+28+28+27}{4}$ <p>Average = 27.75 days (3.96 Weeks)</p> <p>We downloaded the quarterly budget Implementation Reports for all four quarters for the year 2021, obtained and retained evidence of the timestamp of the publications.</p>		
2	Do the reports each include, at a minimum, the approved original AND revised (if applicable) budget appropriation for the year against each organizational units (MDAs) for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others), the actual expenditures for the quarter attributed to each MDA as	<p>From our review of the Quarterly Budget Implementation reports downloaded from the State’s website (see web links above) we observed the following:</p> <ol style="list-style-type: none"> a) The Budget Implementation Reports included the approved budget appropriation for the year against each organizational unit (MDAs) for each of the core economic classifications of expenditures. b) The Budget Implementation Reports included the actual expenditures for the quarter attributed to each MDA as well as the actual cumulative expenditures for the year to date, 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	well as the actual cumulative expenditures for the year to date, and balances against each of the revenue and expenditure appropriations.	<p>c) The Budget Implementation Reports included the balances against each of the revenue and expenditure appropriations.</p> <p>d) The State does not have an amended/revised budget or passed supplementary budgets.</p> <p>e) The Budget Implementation Reports showed the approved original budget</p> <p>The reports included the approved budget appropriation for the year for each of the core economic classifications of expenditures (Personnel, Overheads, Capital, and others); the actual expenditures for the quarter, and the balances against each of the revenue and expenditure appropriations.</p>		
3	Does the report state the actual expenditures for the quarter attributed to each MDA and each expenditure classification as well as the actual cumulative expenditures for the year to date?	IVA reviewed the State's Budget Performance/implementation reports and confirmed that the report included the actual expenditures for each quarter attributed to each MDA, each expenditure classification, as well as the actual cumulative expenditures for the year to date.	Satisfactory	
4	Does the report state balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which will include debt servicing, and transfers, or other expenditures not attributable	The State's Budget Performance reports shows the balances against each of the revenue and expenditure appropriations with balances provided on a consolidated basis across the four (4) expenditure classifications and 'Other Expenditures' which includes debt servicing, and transfers, or other expenditures not attributable to any of the other three (3) expenditure classifications.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations												
	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 25%</p> <p>See the computation below:</p> <table border="1" data-bbox="720 698 1407 1091"> <thead> <tr> <th></th> <th>Total Approved Budget (₦)</th> <th>Actual Outturn (₦)</th> </tr> </thead> <tbody> <tr> <td>Capital Exp. (Page 10, Appropriation Law) Page 29</td> <td>267,901,510,643.48</td> <td>445,738,739,437.96</td> </tr> <tr> <td>Rec. Exp. (Page 7 Appropriation Law) Page 26</td> <td>180,759,262,832.52</td> <td>117,926,984,384.86</td> </tr> <tr> <td>Total</td> <td>448,660,773,476</td> <td>563,665,723,822.82</td> </tr> </tbody> </table> $\frac{(\text{₦}448,660,773,476) - (\text{₦}563,665,723,822.82)}{(\text{₦}448,660,773,476)} \times 100 = -25.63\%$ <p>Source: The figure for Actual Outturn was obtained 2021 Audited Financial Statement page 26 and 29. However, the figure for the total Approved Budget was obtained from the Appropriation Law page 7 and 8.</p>		Total Approved Budget (₦)	Actual Outturn (₦)	Capital Exp. (Page 10, Appropriation Law) Page 29	267,901,510,643.48	445,738,739,437.96	Rec. Exp. (Page 7 Appropriation Law) Page 26	180,759,262,832.52	117,926,984,384.86	Total	448,660,773,476	563,665,723,822.82	Unsatisfactory	The State should prepare accurate budgets and reduce the budget deviation to a level below the limits set for this result.
	Total Approved Budget (₦)	Actual Outturn (₦)														
Capital Exp. (Page 10, Appropriation Law) Page 29	267,901,510,643.48	445,738,739,437.96														
Rec. Exp. (Page 7 Appropriation Law) Page 26	180,759,262,832.52	117,926,984,384.86														
Total	448,660,773,476	563,665,723,822.82														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		The IVA noted that the budget figures in the total approved budget in the Appropriation law differ from the AFS.		
DLI 2: Increased Openness and Citizens' Engagement in the Budget Process				
DLR 2.1	Citizens' inputs from formal public consultations are published online, along with the proposed FY [2022] budget AND Citizens' budget based on approved FY21 state budget published online by end April 2021 with functional online feedback mechanisms		Not Achieved	
1	Did the State conduct at least one "town-hall" consultation before the proposed budget is drafted with the participation of local government authorities and State-based CSOs?	IVA obtained all necessary documents and reviewed them including the attendance register and: a) The IVA reviewed the attendance register for the "town hall" consultation. From the review, the IVA could not see the names of LGAs representatives at the consultation. b) The CSOs and CBOs representatives in attendance were 1) Kadejah Pepple - Muslim Women 2) Celestine Osaji - National automobile Technician Association.	Unsatisfactory	The State should ensure the participation of Local Government authorities in public consultations. The State should ensure the publication of the proposed budget is done before the start of the budget year. Failing that, it

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>3) Martha Ilokpo - Mile 1 Market Women Association -</p> <p>c) The sources of information from which our conclusions were drawn are minutes, attendance lists, and pictures.</p> <p>d) The date of the consultation was 8th November, 2021 and the venue of the consultation on the budget proposal was the conference hall, NBA House Port Harcourt Branch.</p> <p>e) IVA called a sample of 10 attendees to confirm their attendance at the public consultation.</p> <p>f) The proposed Budget 2022 was drafted on 3rd, December 2021. The IVA obtained a copy of the cover letter by the State Governor to the State House of Assembly as evidence.</p> <p>g) The public consultation on the 2022 budget was held on Monday 8th, November 2021 while the proposed 2022 Budget was drafted on 3rd, December 2021. The public consultation was held before the proposed budget was drafted.</p> <p>h) The State did not publish the Draft 2022 Annual budget on the State website, therefore the date of publication could not be provided.</p> <p>i) The State did not publish the Draft 2022 Annual budget on the State website.</p> <p>j) There was no web link for the publication of the proposed budget as the State did not publish the Draft 2022 Annual budget on the State website.</p>		should be published as soon as possible thereafter
2	Were the minutes of the public consultations jointly prepared with CSO	a) Atako Ummusalama from the Federation of Muslim Women Association of Nigeria co-signed the Minutes	Unsatisfactory	The minutes of public consultations should be published online

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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>and a copy of the signed minutes has been retained in the file.</p> <p>b) The title of the minutes is PUBLIC CONSULTATION ON RIVERS STATE 2022 BUDGET ESTIMATES, held on Monday, 8th November 2021</p> <p>c) Some of the Organisations that have their representative's signatures present were: National automobile Technician Association, and the Islamic council.</p> <p>d) The State did not publish the Minutes of the public consultation on the 2022 budget on the State website.</p> <p>e) The IVA performed a search on the State website for the minutes of the public consultation on the 2022 budget but could not find it clearly signposted on the homepage of the state website.</p>		and before the start of the budget year. Failing that, they should be published as soon as possible thereafter.
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 (18/6/2021) on the due date via https://www.riversstate.gov.ng/wp-content/uploads/2022/07/Rivers-State-2021-Citizens-Budget-Update-18th-June-2021.pdf accessed on (19/7/2022).</p> <p>b) The IVA compared the Citizens Budget with the Approved budget 2021. The IVA did not identify any significant areas of discrepancies.</p> <p>c) The IVA compared the Citizens Budget with the suggested format provided to the state. The citizens budget prepared by the state is in line with the format provided by the Home Finance Department</p> <p>The State's Citizens budget contained the following information:</p>	Unsatisfactory	The State should ensure it publishes the Citizens budget based on approved budget within timeline

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> i. Simple explanation of the annual budget/citizens budget. Pages 2 – 5 ii. The sources of revenues. Pages 13 - 15 iii. Sources of domestic and foreign grants, domestic loans, and other financing sources. Page 15. iv. Total expenditure by economic classifications. Pages 16 - 18 v. The total revenue and grants, total expenditures, budget deficit, budget financing and financing gap. Pages 11-15 vi. Disclosure of Budget deficit (if any) and how it will be financed. Page 15 vii. Sectoral Allocation (by MDAs). Pages 19 - 21 viii. Top Projects to be financed (at least 5). Pages 22-27 <p>d) The citizen’s budget contained the minimum required budget information as shown above as in the Citizen Budget User Manual and Excel Template.</p> <p>e) The citizens budget prepared by the state is in line with the format provided by the Home Finance Department. The IVA did not identify any significant differences.</p>		
4	Is the Citizens Budget a comprehensible (to citizens) summary of the approved FY21 state budget?	<p>a) The Citizens Budget included an explanation of the key components /information in the Approved FY21 Budget.</p> <p>We confirmed that the approved FY21 State budget was summarized in a comprehensible manner to the Citizens in the Citizens budget.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
5	Does the State website have functional feedback and response online mechanisms?	<p>a) The State has established a feedback Mechanism and response online mechanisms on its website</p> <p>b) Rivers State operates an email feedback response online mechanism. See link to the website https://mail.google.com/mail/u/0/?fs=1&tf=cm&source=mailto&to=info@riversstate.gov.ng</p> <p>c) The State's feedback mechanism provides, at a minimum, a display of timeframe and the State's government contact details does not provide.</p> <ul style="list-style-type: none"> i. Acknowledgement of receipt of comments/feedbacks from citizens ii. State's responses to comments/feedbacks <p>d) To ascertain the functionality of the feedback mechanism, the IVA made an inquiry on the feedback mechanism platform of the State on how to access the 2021 Approved Budget. The IVA is yet to receive a response on its inquiry.</p> <p>e) The ICT unit in charge of the backend of the feedback mechanism was not available to perform a demonstration on how the state has responded to feedback from citizens. However, To ascertain the functionality of the feedback mechanism, the IVA made an enquiry on the feedback mechanism platform of the State on how to access the 2021 Approved Budget. The IVA is yet to receive a response on its inquiry.</p> <p>f) To ascertain the functionality of the feedback mechanism, the IVA made an inquiry on the feedback mechanism platform of the State on how to access the 2021 Approved Budget. The IVA is yet to receive a</p>	Unsatisfactory	The State should establish a functional feedback mechanism on the State website.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		response on its inquiry. As such, the IVA can conclude that the feedback mechanism is not functional. https://www.riversstate.gov.ng/contact/		
DLR 2.2	Citizen's Accountability Report based on audited financial statements/report published online for FY2020 not later than 30th September 2021.		Not Achieved	
1	Did the State prepare the Citizens Accountability Report to explain the full Annual Audit Report in a summarized form?	<ul style="list-style-type: none"> a) The IVA has downloaded the Citizens Accountability Report FY2020 and retained a copy on file. b) The IVA has conducted a review of the downloaded Citizens Accountability Report. c) State is yet to provide the IVA with the backend timestamp of the publication of the citizens accountability report. However, the IVA confirmed the date of posting via the inspect document properties on Google Chrome. a) The IVA reviewed the contents of the full Annual Audit Report for FY2020 with the Citizens Accountability Report and found no area of discrepancies d) The State did not organize a public consultation with the citizens in presenting the annual financial statement (i.e., the Citizens' Accountability Report for 2020) 	Unsatisfactory	The State should organize a public consultation in presenting the Citizens Accountability Report.
2	Has the State published a Citizens Accountability Report based on the Annual Financial statements/ Audit Report for FY	<ul style="list-style-type: none"> a) The Citizens Accountability Report based on the Annual Audit Report (2020) was published before the due date (30/9/2021) on (29/9/2021) via https://www.riversstate.gov.ng/citizens-accountability-report-on-the-implementation-of- 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations	
	<p>2020 not later than 30 September 2021?</p>	<p>the-2020-budget/ and accessed by IVA on (19/7/2022).</p> <p>b) The IVA reviewed the contents of the full Annual Audit Report for FY2020 with the Citizens Accountability Report and found no area of discrepancies.</p> <p>c) The IVA compared the Citizens Accountability Report with the format provided to the State. The citizens Accountability Report prepared by the state is in line with the format provided</p> <p>The State's Citizens Accountability Report contained the following information:</p> <ul style="list-style-type: none"> i. Simple explanation of the annual Citizens Accountability Report and the Executive Summary. Page 2&3 ii. The Budget Outturn. Pages 4 & 5 iii. The Revenue Outturn. Pages 6 & 8. iv. The Expenditure Outturn. Pages 9 & 10 v. The Audit Findings. Pages 11 & 12 vi. The Audited Financial Statements. Pages 13 & 15 vii. Top Sectoral Allocations. Pages 16 & 19 viii. Top Value Capital Projects. Page 21 ix. Citizens-Nominated Projects- Implementation Status Report. Page 23 x. Public consultations with Citizens presenting the Annual Financial Statements. Page 25 <p>d) The Citizen's Accountability Report contained the minimum required citizens accountability report information as shown above as in the Citizen accountability report User Manual and Excel Template.</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		e) There were no areas of discrepancies.		
3	Is the Citizens Accountability Report a comprehensible (to citizens) summary of the FY20 Annual Audit Report?	<p>a) The Citizens Accountability Report presents in a summarized manner the Audited Financial Statement FY 2020.</p> <p>b) The Citizens Accountability Report includes a concise explanation of the key components of the FY2020 Audited Financial Statement.</p> <p>c) The State did not organize a public consultation with the citizens in presenting the annual financial statement (i.e. the Citizens' Accountability Report for 2020)</p> <p>We confirmed that the FY20 Annual Audit Report or Audited Financial Statement was summarized in a comprehensible manner to the Citizens in the Citizens Accountability Report. However, the State did not organize a public consultation with the citizens in presenting the annual financial statement (i.e. the Citizens' Accountability Report for 2020)</p>	Unsatisfactory	The State should organize a public consultation in presenting the Citizens Accountability Report.
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		Not Achieved	
1	Has the State established a functional State-level TSA?	a. The State has not established a functional state-level TSA.	Unsatisfactory	The State should establish a functional TSA

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>b. The IVA could not state whether the State operates one account or multiple accounts. If multiple accounts, mention the account details for the following:</p> <ul style="list-style-type: none"> ● IGR Main Account: ● FAAC Account: ● VAT Account: 		
2	<p>Is there a formally approved cash management strategy in place?</p> <p>The Strategy should cover the processes through which the State Ministry of Finance or Budgets/Economic Planning can forecast cash commitments and requirements and provide reliable information on the availability of funds.</p>	<p>The State does not have a cash management strategy.</p> <p>a) The IVA could not ascertain the Documents name and/or title as the State did not provide the Cash Management Strategy to the IVA.</p> <p>b) The IVA could not ascertain when it was produced and who signed the document.</p> <p>c) The IVA could not extract the Clause Number and Page where it showed that it covered the processes mentioned.</p> <p>d) The IVA could not state what the strategy says in terms of cash sweeping (e.g. daily, weekly, bi-weekly, monthly, etc.)</p> <p>e) The IVA could not state whether there is evidence of implementation of processes described in the cash management strategy to forecast cash commitments and requirements and provide reliable information on the availability of funds (by checking the existence of cash commitments and requirements forecasts at the intervals stated in the cash management strategy (monthly, quarterly, etc). (i.e., has the States applied the strategy to its forecasting of cash commitments and requirements?)</p>	Unsatisfactory	The State should implement an approved cash management strategy that covers the processes through which the State can forecast cash commitments and requirements and provide reliable information on the availability of funds.
3	Does the TSA have a system of cash management that allows for a central view of cash balances in bank	The State does not have a computer application where the State can view the cash balances in the bank account (s). Thus,	Unsatisfactory	The State should establish a cash management system that allows for a

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations						
	accounts on a single electronic dashboard (based on the approved cash management strategy)?	<ul style="list-style-type: none"> a) The IVA could not mention the computer application name, the producer of the application. b) The IVA could not ascertain whether or not it is in line with the approved cash management strategy c) The IVA could not ascertain when it was deployed 		central view of cash balances in bank accounts on a single electronic dashboard and should be in line with the approved Cash Management Strategy.						
4	Does the TSA have one consolidated revenue treasury account for State revenues? Revenues collected by MDAs such as service fees no longer sit in individual MDA accounts at different commercial banks but are brought into the consolidated revenue account as part of the TSA.	<p>The IVA could not perform the following tests for lack of documentation. Therefore:</p> <ul style="list-style-type: none"> a) The IVA could not summarize the tests performed and the findings from the tests, including interviews with relevant govt officials, and the checks conducted at 3 MDAs b) The IVA could not state and specify the TSA of the State including which bank. c) The IVA could not mention if all govt monies go through this account. d) The IVA could not mention if all govt monies do not sit in the other revenue collecting banks. e) The IVA could not obtain the TSA bank Statement. 	Unsatisfactory	The State's TSA should have one consolidated revenue treasury account for state revenues (FAAC and IGR)						
5	Does the TSA cover a minimum of 80% of the State Government's finances?	<p>The IVA could not compute 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. This is because the State could not provide supporting documents</p> <table border="1" data-bbox="709 1279 1402 1421"> <thead> <tr> <th></th> <th>Total Inflows (₦)</th> <th>Total Outflows (₦)</th> </tr> </thead> <tbody> <tr> <td>TSA Bank Statement</td> <td>Not available</td> <td>Not available</td> </tr> </tbody> </table>		Total Inflows (₦)	Total Outflows (₦)	TSA Bank Statement	Not available	Not available	Unsatisfactory	The State's TSA should cover all of Government Finances.
	Total Inflows (₦)	Total Outflows (₦)								
TSA Bank Statement	Not available	Not available								

Disbursement Linked Indicators (DLIs) and Tests		Findings		Conclusion	Recommendations	
		Government Finances*	570,394,610,257.79	563,665,723,822.81		
		Percentage	????	????		
		<p>The IVA could not compute the average percentage:</p> $\frac{?? \% + ?? \%}{2}$ <p>= ??%</p> <p>The IVA could not compute the TSA covered of the State's finances.</p> <p>*Sources: The 2021 Audited Financial Statement (Cash flow Statement) and the TSA Statement were not provided. An APA Issue was raised and the State is yet to respond.</p>				
DLI 4: Strengthened Internally Generated Revenue (IGR) Collection						
DLR 4.1	State implementing a consolidated state revenue code covering all state IGR sources and stipulating that the state bureau of internal revenue is the sole agency responsible for state revenue collection and accounting. Code must be approved by the state legislature and published			Not Achieved		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
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?	<ul style="list-style-type: none"> a) The name of the law is The Rivers State Board of Internal Revenue Service Law No 12 of 2012. (Principal Law) which was signed on 22nd February 2012, and Board of Internal Revenue Service (Amendment) Law No 12 of 2021 which was signed on 30th Dec. 2021 were provided b) The Revenue code and rates were contained in the Revenue Law. c) The State's revenue code was contained in one law. d) The revenue code was approved. e) The weblink for the Revenue Law is https://www.riversstate.gov.ng/news/publications/rivers-state-board-of-internal-revenue-service-law However, the IVA observed that the above State weblink gives the message "Error 404 – Page not found". f) The code included all State IGR sources for the state but did not include schedules of local government sources and applicable rates. g) The consolidated revenue code included the rate chargeable for each IGR source for the state; however, it didn't include the local government taxes. 	Unsatisfactory	The State should amend its current harmonized law to include all sources of revenue for local governments
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?	<ul style="list-style-type: none"> a) Section 2 of the Amendment Law amends section 10 of the Principal Law to include subsection 7 which states "the Board shall be the sole collector of all taxes and revenues in the State". b) The IVA Tax Consultants review states that Section 2 of the Amendment law amends Section 10 of the Principal Law to read "the Board shall be the sole collector of all taxes and revenues in the State" 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<ul style="list-style-type: none"> c) Both the IVA and Tax consultants' conclusions on the SBIR being the sole agency responsible for the State revenue collecting and accounting were aligned. d) The conclusions are aligned. 		
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?	<ul style="list-style-type: none"> a) The IVA could not ascertain if the collection of revenue was made into an account nominated by the SBIR as no documentary evidence was provided by the SBIR. b) The IVA could not ascertain if the SIRS has full oversight of the accounts and are responsible for reporting and accounting for the revenues. No documentary evidence was provided by the SBIR. 	Unsatisfactory	The state should revalidate revenue accounts by ensuring SBIR/SIRS nominates such accounts
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.	<ul style="list-style-type: none"> a) The Rivers State Board of Internal Revenue Service Law No 12 of 2012. was assented to by the Governor on 22nd February 2012 while the 2021 Amendment Law was signed on 30th December 2021. b) The Rivers State Board of Internal Revenue Service Law No 12 of 2012. was assented to by the Governor on 22nd February 2012 while the 2021 Amendment Law was signed on 30th December, 2021. 	Satisfactory	
5	Is the Publication published online, so it is automatically available to the public/all taxpayers?	<ul style="list-style-type: none"> a) A copy of the State Revenue Law was obtained from the state and retained in the assessment file. b) IVA could not access the document online however, a soft copy was provided by the state. c) The weblink for the Revenue Law is https://www.riversstate.gov.ng/news/publications/rivers-state-board-of-internal-revenue-service-law. It is 	Unsatisfactory	The State should publish the Revenue law, sources, and rates online.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations																																																				
		worthy to note that this web link is not functional as of the time of the IVA visit.																																																						
DLR 4.2	Annual nominal IGR growth rate meets target		Not Achieved																																																					
1	<p>Has the 2021-2020 annual nominal IGR growth rate met the basic or stretch targets?</p> <p>Basic Target: 20% - 39%</p> <p>Stretch Target: 40%</p>	<p>a. The State used the cash basis of accounting in its 2019 and 2020 State Auditor-General’s Report.</p> <p>b. The IVA computed the annual nominal IGR growth rate for this year APA. See the computation below:</p> <table border="1"> <thead> <tr> <th>REPORTING TEMPLATE: OPTION A</th> <th>₱</th> <th>₱</th> <th>% GRO WTH</th> </tr> <tr> <th>Item</th> <th>2020</th> <th>2021</th> <th></th> </tr> </thead> <tbody> <tr> <td>Memo: Reported IGR in AFS (Before Adjustments)</td> <td>117,401,188,588.00</td> <td>141,399,483,430.00</td> <td>20%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>VALID IGR items to be counted as IGR</td> <td>108,223,2769,040.61</td> <td>124,393,589,793.13</td> <td></td> </tr> <tr> <td>Direct tax</td> <td>106,180,064,406.61</td> <td>141,399,483,430.00</td> <td></td> </tr> <tr> <td>Personal income tax (PAYE)</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Licenses</td> <td>213,173,198.00</td> <td>13,367,000.00</td> <td></td> </tr> <tr> <td>Levies</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Fees</td> <td>440,317,662.00</td> <td>359,973,888.87</td> <td></td> </tr> <tr> <td>Fines</td> <td>32,795,423.00</td> <td>239,982,692.57</td> <td></td> </tr> <tr> <td>Charges</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>Sales of goods and services</td> <td>668,776,879.00</td> <td>17,109,580.00</td> <td></td> </tr> </tbody> </table>	REPORTING TEMPLATE: OPTION A	₱	₱	% GRO WTH	Item	2020	2021		Memo: Reported IGR in AFS (Before Adjustments)	117,401,188,588.00	141,399,483,430.00	20%					VALID IGR items to be counted as IGR	108,223,2769,040.61	124,393,589,793.13		Direct tax	106,180,064,406.61	141,399,483,430.00		Personal income tax (PAYE)	-	-		Licenses	213,173,198.00	13,367,000.00		Levies	-	-		Fees	440,317,662.00	359,973,888.87		Fines	32,795,423.00	239,982,692.57		Charges	-	-		Sales of goods and services	668,776,879.00	17,109,580.00		Unsatisfactory	The State should ensure significant year on year improvements in their IGR collection.
REPORTING TEMPLATE: OPTION A	₱	₱	% GRO WTH																																																					
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Disbursement Linked Indicators (DLIs) and Tests		Findings			Conclusion	Recommendations
		Earnings (Excluding interest or investment income)	603,297,000.00	25,664,370.00		
		Rent of govt. property/building	84,854,472.00	73,539,762.06		
		Other				
		"Adjusted IGR" for DLI 4.2 Calculation				
		Sum of all VALID items of IGR if AFS has that detail	108,223,2769,040.61	124,393,589,793.13	15%	
		$\frac{\text{N}124,393,589,793.13 - \text{N}108,223,279,040.61}{108,223,279,040.61} \times 100 = 15\%$ <p>The annual nominal growth was 15%</p> <p>Source: 2021 Audited Financial Statement Page 26.</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				Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	payroll, and identified ghost workers taken off the payroll			
1	Has the State used Biometrics to reduce payroll fraud through a completed biometric exercise for 95% of the current civil servants and pensioners on the State payroll?	<p>The IVA confirmed that the State commenced the Biometric data capture of the civil servants and pensioners in April 2018. The date of completion was September 2019.</p> <p>a) The Biometric capture was outsourced to Cinfores Ltd.</p> <p>b) The total number of civil servants is 44,746. (DLI 5.1-2A - Biometric Capturing Exercise – Civil Servants: 5852+3941+34+1888+33031)</p> <p>c) The total number of pensioners is 20,825. (DLI 5.1-2B – Biometric Capturing Exercise – Pensioners)</p> <p>d) The total number of civil servants and pensioners on the State Nominal roll and Payroll 65,571. (44,746+20,825).</p> <p>e) The total number of civil servants and pensioners on the Nominal roll and payroll changed by 2.62% and 4.66% in comparison with the previous year. Thus, the State would not need to provide satisfactory explanations and evidence for such changes, since the change is not up to 10%.</p> <p>The number of biometrics that has been captured by the State is 65,571</p> <p>IVA noticed that the total number of Civil Servants and Pensioners in 2021 was the same as that of 2020 (2020 APA Report) which seemed unusual. Therefore, an APA issue has been raised for the State to explain how the figures remained the same despite having leavers and starters during the year.</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>f) The documents obtained to serve as evidence include;</p> <ul style="list-style-type: none"> i. Report on Number of civil servants and Pensioners whose biometric data and BVN numbers have been linked to the payroll. (Page 1) ii. Statistics of captured staff and pensioners on Biometrics register $\frac{65,571}{65,571} \times 100 = 100\%$ <p>The State had captured 100% biometrics of the State’s civil servants and pensioners on its payroll.</p>		
2	Has the State linked the biometrics data to the State payroll to identify ghost workers?	<ul style="list-style-type: none"> a) The State commenced the linkage of Biometric data of civil servants and pensioners to payroll in April, 2018 and completed it in September, 2019. b) Biometrics data of 44,746 for civil servants and 20,825 for pensioners was linked to the payroll c) The state did not detect ghost workers during the biometric validation in 2021 d) There were no ghost workers in the year 2021 thus money was not saved. e) There were in-year changes to the civil servant and pensioner payrolls because of starters, leavers, deaths, etc., and were captured by the biometric exercise. The IVA obtained the following documents to serve as evidence; <ul style="list-style-type: none"> i. Report on Number of civil servants and Pensioners whose biometric data and BVN numbers have been linked to the payroll 	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<ul style="list-style-type: none"> ii. Report on number retire staffs as at December 31st 2021 iii. Report on number of newly employed staffs as at December 31st 2021 f) The IVA confirmed that there are procedures in place to ensure timely updates to the payroll to reflect leavers, retirees and deaths. The Head of Service sends a monthly report to the ministry of finance for stoppage of salaries as soon as any staff is retired from the service. See page 1 on States Report on Ghost worker and Pensioners for reference. g) There were changes to the civil servants and pensioners payroll during the fiscal year as a result of starters, leavers, deaths, etc. h) The changes were captured by the biometric exercise. i) The procedures in place to identify and remove ghost workers were: <ul style="list-style-type: none"> i. MDAs send request for capturing of staff with necessary documents such as appointment letter, BVN, etc. ii. Staff must be physically present for capturing to eliminate the existence of ghost workers. iii. Head of Service sends a monthly report to the Ministry of Finance for stoppage of salaries as soon as staff are retired from the Service. iv. New employee requesting for biometric capture must have approval from the relevant employing agency duly signed and cleared by the Head of Service. 		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
3	Has the State removed confirmed ghost workers and ghost pensioners within three (3) months of each case being confirmed?	<ul style="list-style-type: none"> a) The State did not detect any ghost workers during the linkage in 2021. b) There was no record of ghost workers in 2021 c) There was no removal of ghost workers in 2021 as the Ghost workers were removed from the payroll in 2019. d) There were no ghost workers identified in the period under review. Therefore, no amount could be stated. e) The source of information was the “Report on Ghost workers and Pensioners” 	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?	<p>The State commenced Biometric capture and BVN linkage of civil servants and pensioners in April, 2018 and completed in September, 2019</p> <ul style="list-style-type: none"> a) The BVN capture was outsourced to Cinfores Ltd. b) The total population on Rivers State's civil servants and pensioners is 65,571 (44,746 civil servants and 20,825 pensioners) c) The total population on Rivers State's payroll is 65,571 (44,746 civil servants and 20,825 pensioners) d) 65,571 BVN data was linked to the payroll. e) The IVA obtained the State’s Report on Number of Civil Servants and Pensioners whose biometric data and BVN numbers have been linked to the payroll. <p style="text-align: center;"><u>65,571</u> x 100</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		65,571 =100%		
		The State has linked 100 % of the State’s Civil Servants And Pensioners’ BVN data to the payroll.		
2	Has the State taken steps to identify payroll fraud?	<p>a) A total number of 65,571 staff have BVN data. There was no staff without BVN data during the assessment period</p> <p>b) There was no record of payroll fraud provided by the State because there was no case of payroll fraud during the 2021 assessment period</p> <p>c) There were no records of payroll frauds identified, therefore no dates can be stated.</p> <p>d) There were no records of payroll frauds identified, therefore no amounts can be specified</p> <p>e) There were no records of payroll frauds identified, therefore no amounts can be specified</p> <p>f) The source of information was the “Report on Ghost workers and Pensioners”</p>	Satisfactory	
DLI 6: Improved Procurement Practices for Increased Transparency and Value for Money				
DLR 6.1	Existence of a public procurement legal framework and a procurement regulatory agency. Said legal framework should conform with the UNCITRAL Model Law and provide for: 1) e-Procurement; 2) establishment of an independent procurement regulatory agency and 3)		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	cover all MDAs receiving funds from the State budget			
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?	<ul style="list-style-type: none"> a) IVA confirmed the state has a public procurement legal framework. b) The Procurement law has been approved by the State legislature as a law. c) The date of the passage by the State House of Assembly was not stated, but the date it was assented to by the Governor on 3rd May, 2008. d) The procurement law has been passed and assented to by the Governor. e) The authorizing body that passed the law is the state House of Assembly. f) The date of approval of the law was 3rd of May, 2008. 	Satisfactory	
2	Does the law conform with the UNCITRAL Model Law which should provide for? 1) e-Procurement; 2) establishment of an independent procurement regulatory agency; and 3) cover all MDAs receiving funds from the State budget.	<p>There is partial compliance with the UNCITRAL Model Law. The Law is structured along with the UNCITRAL Procurement Law Model but deviates in some respects e.g., by giving the Governor power to award contracts of up to 30% value of each year's budget.</p> <ul style="list-style-type: none"> a) E-Procurement - We noted the following during our review of the legislation. <ul style="list-style-type: none"> • The Board shall approve changes in the procurement process to adapt to the improvement in modern technology S. 2 (e). • The Bureau shall introduce, develop, update and maintain related databases and technology. S. 3 (p) • The Bureau shall establish a single internet portal that shall serve as a primary and definitive source of all 	Unsatisfactory	<p>The State should make the following improvements to its draft legislation.</p> <ul style="list-style-type: none"> i. Amend to ensure it provides for grounds for removal of Chief Executive of the agency. ii. Amend to ensure that regarding the decisions of the agency; any other review after the

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>information on government procurement containing and displaying all public sector procurement information at all times. S. 3 (q).</p> <p>The law, therefore, complies with the requirements for e-procurement.</p> <p>The composition of the Board: The law is compliant; See Section 1(3) (a-d)</p> <ul style="list-style-type: none"> • Functions and powers of the agency: The law is compliant; see sections 2 and 3 • Membership of board/Council includes representatives from professional bodies/Associations: Non-compliant • The grounds for the removal of the Chief Executive of the agency: The law is compliant; see section 5 (4) • Regarding the decisions of the Agency: Any other review after the Board's decision should be by judicial review: The law is non-compliant. <p>b) The results of the expert review have been inserted and all references to sections of the law by the expert have been checked.</p> <p>c) IVA have confirmed that the team's conclusions and expert conclusions are aligned.</p> <p>d) The team's conclusions and expert conclusions are aligned.</p> <p>The Rivers State Public Procurement. Law is partially structured in line with the UNCITRAL Model and does not meet the requirements as shown below:</p> <p>2. Independence - The results of our assessment of the legislation for independence are in the table below:</p>		<p>board's decision should be by judicial review.</p>

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations												
	<table border="1" data-bbox="732 285 1371 974"> <thead> <tr> <th data-bbox="732 285 1096 342">Required Provisions*</th> <th data-bbox="1096 285 1371 342">Result</th> </tr> </thead> <tbody> <tr> <td data-bbox="732 342 1096 493">The Functions and Powers of the Agency</td> <td data-bbox="1096 342 1371 493">Compliant; see sections 2 and 3</td> </tr> <tr> <td data-bbox="732 493 1096 578">The composition of the board</td> <td data-bbox="1096 493 1371 578">Compliant; See Section 1(3) (a-d)</td> </tr> <tr> <td data-bbox="732 578 1096 748">Membership of the Board/Council includes representatives from professional bodies and associations.</td> <td data-bbox="1096 578 1371 748">Non-compliant</td> </tr> <tr> <td data-bbox="732 748 1096 833">The grounds for removal of the Chief Executive of the agency.</td> <td data-bbox="1096 748 1371 833">Compliant; see section 5 (4)</td> </tr> <tr> <td data-bbox="732 833 1096 974">Regarding decisions of the Agency; Any other review after the Board’s decision should be by judicial review</td> <td data-bbox="1096 833 1371 974">Non-Compliant</td> </tr> </tbody> </table> <p data-bbox="732 992 1079 1024">*Provided by the World Bank</p> <p data-bbox="709 1081 1310 1146">3. Establishment of an independent procurement regulatory agency -</p> <p data-bbox="709 1203 1404 1417">a) IVA confirmed the law provided for the establishment of an Independent Procurement Regulatory Agency. Section 1 (1). b) In Section 13 (1) (a-c) the law states: The provision of the Law shall apply to all procurement of goods, works, and services carried out by the Government of Rivers</p>	Required Provisions*	Result	The Functions and Powers of the Agency	Compliant; see sections 2 and 3	The composition of the board	Compliant; See Section 1(3) (a-d)	Membership of the Board/Council includes representatives from professional bodies and associations.	Non-compliant	The grounds for removal of the Chief Executive of the agency.	Compliant; see section 5 (4)	Regarding decisions of the Agency; Any other review after the Board’s decision should be by judicial review	Non-Compliant		
Required Provisions*	Result														
The Functions and Powers of the Agency	Compliant; see sections 2 and 3														
The composition of the board	Compliant; See Section 1(3) (a-d)														
Membership of the Board/Council includes representatives from professional bodies and associations.	Non-compliant														
The grounds for removal of the Chief Executive of the agency.	Compliant; see section 5 (4)														
Regarding decisions of the Agency; Any other review after the Board’s decision should be by judicial review	Non-Compliant														

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>state and all procurement entities which derive funds proposed to be appropriated for any type of procurement described in this Law from public funds and procurement by Local Governments in the state. While Section 13 (2) (a) & (c) of the law provides that the law shall not apply to the following:</p> <p>a. Procurement of goods, works and services involving state security: and</p> <p>b. Procurement by the State government in an emergency.</p>		
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?	<p>a) The State has instituted an independent procurement regulatory function.</p> <p>b) This function is being performed through a bureau.</p> <p>c) The agency is responsible for prescribing regulations and procedures for public procurements by the legal framework. Section 2 (a & b) and Section 3 (a).</p> <p>d) The regulatory agency is active and operational based on the IVA's interview with staff of the Bureau. The State Bureau of Public Procurement provided records of contracts carried out in the year under review with its necessary supporting documents. These documents were brought only for sightseeing and were not released to the IVA to retain a copy.</p> <p>e) IVA was furnished with contract documents of about 15 jobs handled by the Bureau and from the list, IVA performed the walkthrough test to confirm effective</p>	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		handling of the samples. It is worthy to note that the state did not give IVA copies to retain.		
DLR 6.2	No later than June 30, 2022, implement e-procurement in at least 4 MDAs (incl. Education, Health and Public Works) publish all contract award information in OCDS format on the online portal for the 4 MDAs AND For those MDAs without e-procurement: Publish contract award information above a threshold set out in the State’s procurement law/regulation every month in OCDS format on the state website or online portal if available.		Not Achieved	
1	Has the State achieved open contracting component of the DLI by publishing online, contract award information for all contracts awarded during the fiscal year (2021) that are above the threshold (as defined in the State procurement law or the State	a) IVA was furnished with contract documents of about 15 jobs handled by the Bureau and from the list, IVA performed the walkthrough test to confirm effective handling of the samples. It is worthy to note that the state did not give IVA copies to retain. b) IVA compared the schedule with the data on the OCDS portal and confirmed that it was complete. However, IVA could not compare the schedule provided by the state with its Capital Expenditure as the State did not provide its	Unsatisfactory	

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>procurement regulation(s), in line with the Open Contracting Data Standards (OCDS)?</p>	<p>Audited Financial Statement . An APA Issue has been sent to the State to request for its AFS, but a response is yet to be received.</p> <p>c) The State published the information on all contracts awarded for the year under assessment above the threshold online as per the schedule provided. (The threshold amount stated in the procurement manual is N50,000,000.00. Sec. 8(a).</p> <p>d) IVA confirmed the list of contracts published online is complete based on a review against the schedule of all contracts provided.</p> <p>e) The data published is in line with the Open Contracting Data Standards (OCDS).</p> <p>f) The source of the publication is the Rivers State Bureau of Public procurement website. The weblink is https://rsbopp.rv.gov.ng/index.php/standard-bid-documents/procurement-records</p> <p>IVA obtained the schedule of contracts awarded in the year under review compared it to what was published online by the State and also observed the sampled physical contract documents provided; however, the state did not allow the IVA to retain this evidence.</p> <p>The publication of all contracts awarded in 2021 above the threshold (N50m) contains 53 contracts of which all but 19 were awarded by the State Universal Basic Education Board. This is not credible in view of the 2021 Capex budgets for other MDAs. Note that the publication included all sizes of awards with some as low as N2m and</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>this indicates it is intended to represent the full list of contracts awarded.</p> <p>The State is required to give clarification to the above observation.</p> <p>g) The state published the minimum contract award information that included:</p> <ol style="list-style-type: none"> I. Project name, II. Awarding institution, III. Award date, IV. Name of contractor, and V. The contract amount was published. <p>h) All items from (f) above were published.</p> <p>i) The weblink to the publication is: https://rsbopp.rv.gov.ng/index.php/standard-bid-documents/procurement-records</p> <p>j) IVA confirmed that the contract award information published on the state official website was accessible to the public.</p>		
2	Has the State implemented e-Procurement in at least 4 MDAs (including Education, Health, and Public Works) by June 30, 2022. The e-Procurement for the 2021 results DLI is the implementation of at least five	<p>a) IVA confirmed the State has not implemented e-procurement in at least four (4) MDAs (including Education, Health and Public Works) by 30 June 2022.</p> <p>b) The state is yet to implement an e-procurement system of contracting.</p>	Unsatisfactory	The State should ensure that e-procurement is implemented in all MDAs, and in at least 4 MDAs in the first instance (including

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
<p>modules: e-Registration, e-Publishing/Notification, e-Procurement Plan, e-Tendering and e-Evaluation/e-Awarding?</p>	<ul style="list-style-type: none"> c) The state did not provide a report of the Accountant General for the 4 MDAs on e-procurement for the period. d) The state is yet to implement e-procurement hence, there is no go-live date for e-procurement at the 4 MDAs. e) The state is yet to implement an e-procurement system, Therefore the IVA could not compare the system-generated report and transactions after go-live. f) The state is yet to implement an e-procurement system. Therefore, there were samples selected. g) The state is yet to implement an e-procurement system. Therefore, IVA could not select samples to confirm if they followed the procurement lifecycle. h) The state is yet to implement an e-procurement system. Therefore, all transactions were conducted outside the e-procurement system. i) The e-Registration, e-Publishing/Notification, e-procurement planning, e-Tendering, and e-Evaluation/e-Awarding modules have not been implemented and transactions were not processed through them for the period 1 January 2021 to 30 June 2022. j) The State did not process all of its procurement transactions at the 4 MDAs through the five minimum required modules after go-live for the period of 1 January 2021 to 30 June 2022 (and for a minimum of six months within that period). k) IVA could not obtain any evidence as the state is yet to implement an e-procurement system. 		<p>Education, Health, and Public Works).</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		However, an APA issue was raised requesting the state to explain why it had not implemented an e-procurement system, but the state is yet to respond.		
DLI 7: Strengthened Public Debt Management and Fiscal Responsibility Framework				
DLR 7.1	State implementing state-level debt legislation, which stipulates: 1) responsibilities for contracting state debt; 2) responsibilities for recording/reporting state debt, and 3) fiscal and debt rules/limits.		Previously achieved in 2020 APA	
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		Not Achieved	
1	Has the State produced quarterly State Domestic Debt Reports (SDDR), which are approved by the DMO on average two months after	a) We obtained evidence that the State produced approved quarterly SDDRs, which were submitted and received by the DMO as follows:	Unsatisfactory	The State should submit timely Debt reports to the DMO.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	the end of the quarter in 2021?	<ul style="list-style-type: none"> Q1 submitted on 4/6/2021 - 65 days Q2 submitted on 6/9/2021 - 68 days, Q3 submitted on 7/12/2021 - 68 days and Q4 submitted on (date)? days. $\frac{65+68+68+Q4}{3}$ <p>Average = 67 days (9.6 weeks)</p> <p>The SDDR were submitted within an average of 2.2 months (67 days).</p> <p>However, the State did not submit the quarterly SDDR to the DMO within an average of two months after the end of each quarter. Also, the State provided email correspondence as evidence of submission of the quarterly SDDR to DMO for Q2 and Q3 reports. The State did not provide evidence of the submission of Q4 SDDR to DMO nor did they provide email correspondence showing evidence of the submission to DMO.</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</p>	<p>a) The Quarterly State Domestic Debt Reports (SDDR) from the Federal DMO, CBN, and FMOF, has been obtained .</p> <p>b) We reviewed the DMO's Report on State Domestic and External Debt Report (SDEDR) with Rivers State Debt Domestic Report along with all underlying data.</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>	N/A	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	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>Conclusions reached in this report are based on the amended DMO data.</p> <p>c) The Quarterly State Domestic Debt Reports (SDDR) submitted by the State has been compared with the State 2021 Audited Financial Statement.</p> <p>d) The debt stock figures reported in the SDDR has been compared with that of the State's Audited Financial Statement.</p> <p>e) There were discrepancies noted during the comparison.</p> <ul style="list-style-type: none"> i. SDDR Figure: ₦224,534,780,574.00 ii. AFS Figure: ₦58,469,199,266.00 iii. Difference (If any): ₦166,065,581,308.00 <p>f) The State is required to explain the difference of ₦166,065,581,308.00 between figures in the SDDR and the AFS.</p> <p>g) The State Domestic and External Debt Report (SDEDR) from the Federal DMO has been compared with the Quarterly State Domestic Debt Reports (SDDR) submitted by the State.</p>		
3	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 in July, 2022 however the IT back-end timestamp shows 30th Dec 2021, An APA issue report has been raised and the State is yet to respond.</p> <p>c) The State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR) was published</p>	Unsatisfactory	The State should ensure they publish online, on the State website the SDSA - DMSR by no later than 31 December 2021.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>after 31 December 2021. Evidence of timestamp has been obtained and screenshots taken from the IT back end of the State's website showing the date of online publication was 30th December, 2021. IVA obtained a screenshot from the state's official website and it showed July, 2022 while that of the IT back end showed 30th December, 2021.</p> <p>d) The weblink is https://www.riversstate.gov.ng/wp-content/uploads/2022/07/RS-DSD-MTDS-Report-2021_v2.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) Presentation of medium-term budget forecasts, including:</p> <p>(a) Presentation of MTB forecasts in either a table OR chart(s) (OR both table and chart(s)) with projected annual figures from 2021 to 2024. See Section 4.1 Medium-Term Budget Forecast in pages 16 and 17 of Rivers State DSA-DMS Report.</p> <p>(b) The presentation and analysis in the entire forecast period were of adequate quality, and did not contain illogical statements (e.g., negative figures for debt stock, contradictory or illogical statements or arguments, etc.)</p> <p>(2) A detailed and adequate description of the debt portfolio and borrowing options, including:</p> <p>(a) Presentation of debt and borrowing projections in the baseline scenario with projected figures from 2021 to 2030. See section 4.2 on borrowing options in page 18, charts 18, 22 and 23 in pages 21 and 22 of Rivers State DSA-DMS Report.</p> <p>(b) The presentation and analysis in the entire forecast period was of adequate quality, and did not contain</p>	Unsatisfactory	<p>The State should ensure that the SDSA -DMSR includes the following: 1) medium-term budget forecasts; 2) a detailed description of the debt portfolio and borrowing options.</p>

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>illogical statements (e.g., negative figures for debt and borrowing projections; contradictory or illogical statements or arguments, etc.)</p> <p>(3) Adequate presentation and analysis of the debt and fiscal figures position in the preceding calendar year, which contains the following;</p> <p>(a) Presentation of revenue, expenditure, budget balance, and debt information, at least for 2020 in both table and charts) with historical figures for at least 2020. See chapter 3 pages 8 -12 of Rivers State DSA-DMS Report.</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 were of adequate quality, and did not contain illogical statements (e.g., negative figures for debt and borrowing projections, contradictory or illogical statements or arguments, etc.)</p> <p>Upon review of the State Debt Sustainability Analysis and Debt Management Strategy Report (SDSA-DMSR), we noted it did not include the following:</p> <p>1) medium-term budget forecasts;</p> <p>(a) Budget balance assumptions in the description of assumptions underpinning the MTB forecasts from 2021 to 2024.</p> <p>(b) A summary analysis of MTB forecasts and their implications for fiscal and debt policies throughout the period 2021-2024</p>		

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>2) detailed and adequate description of the debt portfolio and borrowing options; including a</p> <p>a) Description of assumptions underpinning the borrowing options presented: either a table with assumptions OR corresponding explanations in writing (OR both) which was not fully described in section 4.2, and Annex I baseline assumptions in page 35 of Rivers State DSA-DMS Report.</p> <p>b) A summary analysis of the debt projections and their implications for debt sustainability and fiscal policies throughout the period 2021-2030 was presented in section 4.3 DSA Simulation Results in page 19. However, while it stated that the debt profile will be able to preserve sustainability, no analysis is made of policies that can help preserve it.</p> <p>c) 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 in section 5.2.4 was not fully detailed and conclusive on point 1 and 2 of the criterion.</p> <p>a) A review and comparison between the information contained in the assessment report of the SDSA-DMSR obtained from the DMO and the SDSA-DMSR obtained from the State Website was done.</p> <p>b) There was no difference between the SDSA-DMSR obtained from the DMO and that obtained from the State.</p>		
DLI 8: Improved Clearance/Reduction of Stock of Domestic Expenditure Arrears				
DLR 8.0	Domestic arrears as of end 2020 and end 2021 reported in an online publicly accessible		Not Achieved	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	<p>database, with verification process in place.</p> <p>AND</p> <p>Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p>Basic Target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch Target: More than 20 percent decline</p>			
1	Has the State established an Arrears Clearance Framework (ACF)?	<p>a) State has established an Arrears Clearance Framework (ACF)</p> <p>b) IVA has obtained a copy of the ACF from the State</p> <p>c) The establishment of the ACF did not occur by 30 June 2021, the latest date by which the ACF must be established in order for this result to be achieved.</p> <p>d)The ACF was established on 30/11/ 2021, this is just a month before 31st December 2021 year-end and not adequate to allow time for the implementation of the ACF.</p>	Unsatisfactory	The State should establish an Arrears Clearance Framework (ACF) as and when due.
2	Does the ACF contain: 1) the planned actions to settle arrears; and 2) an	a) The ACF contains planned actions to settle arrears and an explicit prioritization of expenditure arrears to be settled.	Satisfactory	

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
	explicit prioritization of expenditure arrears to be settled.	b) The two requirements were explicitly stated in pages 7 and 12 of the ACF Other documents submitted by the state to confirm the ACF exists was the State Arrears Recording Verification and Clearance Report (SARVCR)		
3	Has the ACF been published on a State official website?	a) IVA confirmed that the ACF has been published on a State official website b) IVA have downloaded a copy for validation c) The web link of the publication is: https://www.riversstate.gov.ng/wp-content/uploads/2022/07/RS-ACF.pdf The evidence obtained to confirm the date of publication is a time stamp of the date of publication obtained from the backend. This has been retained in the assessment file.	Satisfactory	
4.	Is the clearance of domestic expenditure arrears consistent with the ACF, once the ACF has been established?	IVA was not able to confirm if the clearance of domestic expenditure arrears is consistent with the ACF as the state did not provide any information or document on cleared arrears. IVA was not able to conduct any test to confirm that the clearance of arrears is consistent with the ACF because the state did not provide any information or document on cleared arrears.	Unsatisfactory	The State should ensure that the clearance of domestic expenditure arrears is consistent with the ACF.
5.	Has the State established an Internal Domestic Arrears Database?	a) The State did not provide evidence that it has established an Internal Domestic Arrears Database b) The State did not provide evidence that it has established an Internal Domestic Arrears Database which includes the following: a. The aggregate and individual amounts of contractors' arrears. For contractors' arrears, at a	Unsatisfactory	a) The state should ensure they establish an internal domestic arrears database. b) The Internal Domestic Arrears

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>minimum, the internal domestic arrears database must also include the name of the contractor, the amount due at the end-of-year, the nature of the goods and services procured that generated the claim, and billing data (as applicable). The database should show the total domestic arrears stock at the end of each year.</p> <p>b. The aggregate amount of pension and gratuity arrears.</p> <p>c. The aggregate amount of salary arrears and other staff claims.</p> <p>d. The aggregate amount of other types of domestic arrears</p> <p>c) The State did not provide evidence that it has established an Internal Domestic Arrears Database which has a verification process in place.</p> <p>d) IVA was not able to confirm that the State has conducted verification of arrears balances because state did not provide its domestic arrears database</p> <p>e) The State did not present evidence that it established an internal domestic arrears database, IVA therefore was unable to conduct any test of accuracy, including cross-checking with State account balances, payroll records, underlying contract data, etc.</p> <p>An APA issue report was raised requesting for outstanding documentation and the state is yet to respond.</p> <p>f) The State submitted to the IVA the annual state arrears recording, verification, and clearance report (SARVCR)</p>		<p>Database should include aggregate and individual amounts of contractors' arrears; the aggregate amount of pension and gratuity arrears; the aggregate amount of salary arrears and other staff claims</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
6	Has the State published online elements of the internal domestic arrears database for the FY 2020 and FY 2021 reported on a State official website, which constitutes the online publicly accessible arrears database?	<p>a) The State has not published online the required elements of the Internal Domestic Arrears Database as at the end of 2020 and 2021.</p> <p>b) The state does not present any evidence of establishing an internal domestic arrears database or publishing its required online elements. The two documents are therefore not presented for comparison.</p> <p>c) The state does not have an online publicly-accessible arrears database which contains an electronic link that permits any potential contractor creditor whose individual claim is not listed in the database to communicate this exclusion to the State Ministry of Finance, by filling a confidential form online and attaching supportive evidence of her claim. If the State Ministry of Finance confirms the validity of this claim, it shall be added to the internal domestic arrears database and included as relevant in the online publicly accessible arrears database.</p> <p>d) The state does not have an online publicly-accessible arrears database which includes a facility for contractors with arrears (creditors) to report any omissions to the State.</p> <p>e) IVA did not conduct any test because the state does not have an online publicly-accessible arrears database which include a facility for contractors with arrears (creditors) to report any omissions to the State.</p> <p>f) IVA did not obtain any records from the state on the omissions reported by contractors in each year and</p>	Unsatisfactory	The State should ensure they publish online, elements of the Internal domestic arrears database.

Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations
		<p>how they were treated because the state does not present evidence of any arrears database.</p> <p>g) IVA did not confirm that any omissions of contractor arrears that were found to be valid were subsequently included in the internal domestic arrears database because the state does not present evidence of any arrears database.</p> <p>h) The state did not present any web link to the online publicly accessible arrears database</p>		
7.	<p>Does the online publication include?</p> <p>1) the aggregate amount of contractors' arrears;</p> <p>2) the aggregate amount of pension and gratuity arrears;</p> <p>3) the aggregate amount of salary arrears and other staff claims;</p> <p>4) other types of domestic arrears and</p> <p>5) a list of names of contractors with recognized arrears exceeding ₦20 million and information for contractors to be able to verify that their claims are</p>	<p>The state did not present evidence that it published the required elements of its arrears online.</p> <p>The state did not present any evidence that it has any online publication which contains the names of contractors owed ₦20m in arrears and above.</p>	Unsatisfactory	<p>a) The State should ensure they publish online lists of contractors with recognized arrears exceeding ₦20 million.</p> <p>b) The state should ensure contractors can verify that their claims are accurately reported</p>

Disbursement Linked Indicators (DLIs) and Tests		Findings				Conclusion	Recommendations																												
	being accurately reported in the database.																																		
8.	<p>Has the State met the following?</p> <p>(i) Percentage decline in the verified stock of domestic arrears at end 2021 compared to end 2020 meets target and is consistent with the state's arrears clearance framework.</p> <p>Basic target: At least a 5 percent decline or maintain stock below 5 billion naira</p> <p>Stretch target: More than 20 percent decline</p> <p><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>	<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>33,047,403,830</td> <td>59,981,656,995</td> <td>44.905</td> </tr> <tr> <td>Pension and Gratuity arrears</td> <td>131,992,462,338</td> <td>114,051,794,918</td> <td>(15.73)</td> </tr> <tr> <td>Salary arrears and Staff claims</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Judgment Debt</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Other types of domestic expenditure arrears</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total Domestic Arrears</td> <td>165,039,866,168.00</td> <td>174,033,451,913.00</td> <td>5%</td> </tr> </tbody> </table> <p>a. We obtained the Domestic arrears figure from the State Domestic Debt Report (SDDR) as the state's Internal Domestic Arrears (SIDA) database and Audited Financial Statements (AFS) were not presented for review.</p>				Aggregate Amount of:	2021 (₦)	2020 (₦)	Diff. (%)	Contractors Arrears	33,047,403,830	59,981,656,995	44.905	Pension and Gratuity arrears	131,992,462,338	114,051,794,918	(15.73)	Salary arrears and Staff claims	-	-	-	Judgment Debt	-	-	-	Other types of domestic expenditure arrears	-	-	-	Total Domestic Arrears	165,039,866,168.00	174,033,451,913.00	5%	Satisfactory	
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Disbursement Linked Indicators (DLIs) and Tests		Findings	Conclusion	Recommendations						
		$\frac{\text{₦}165,039,866,168.00 - \text{₦}174,033,451,913.00}{\text{₦}174,033,451,913.00} \times 100$ <p style="text-align: center;">= -5%</p> <p>The percentage decline is 5%</p> <p>Source: State Domestic Debt Report (SDDR)</p>								
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>		Achieved (Stretch Target Met)							
1	<p>Has the State met:</p> <p>(i) the ratio of total debt stock at end-of-year (31st December 2021) of the year of assessment to the total revenue collected during the calendar year of the year of assessment (1st January to 31st December 2021)?</p>	<p>The following tables show the calculations and adjustments made to arrive at the appropriate figures for this comparison.</p> <p>Total Public Debt*</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Financial Statements (₦)</th> <th>DMO/ SDEDR Figures (₦)</th> </tr> </thead> <tbody> <tr> <td style="height: 20px;"></td> <td></td> <td></td> </tr> </tbody> </table>		Financial Statements (₦)	DMO/ SDEDR Figures (₦)				Satisfactory	
	Financial Statements (₦)	DMO/ SDEDR Figures (₦)								

Disbursement Linked Indicators (DLIs) and Tests	Findings			Conclusion	Recommendations
<p>-Basic target:< [120%] -Stretch target: < [95%]</p> <p>(ii) Average monthly debt service deduction is < 40% of gross FAAC allocation for FY2021.</p>	Total Domestic Debts	89,747,522,960	234,614,350,365.31		
	Total External Debts	24,549,697,747.02	61,031,644,379.48		
	Total Public Debts	114,297,220,707.02	295,645,994,744.80		
	Total Annual Revenue				
	2021 Adjusted IGR (see DLI 4.2)	124,393,589,793			
	Gross FAAC Allocation**	191,547,921,939			
	Grants	0			
	Other Revenues	17,006,093,638			
	Total Revenue	332,947,605,370			
	<p>a) DMO State Domestic and External Debt Report for 2021 is as at the end of Q4 2021. We have computed the total debts stock / Revenue percentage for the 2021 year, as follows:</p>				
	$\frac{\text{₦}295,645,994,744.80 \times 100}{\text{₦}332,947,605,370} = 88.8\%$				

Disbursement Linked Indicators (DLIs) and Tests	Findings	Conclusion	Recommendations
	<p>We have computed the total debt service deduction / Gross FAAC Allocation percentage for the 2021 year, as follows:</p> $\frac{\text{₦}9,421,842,611 \times 100}{\text{₦}191,547,921,939} = 4.9\%$ <p>b. IVA compared the debt stock stated in the Federal DMO State Domestic and External Debt Report with the debt stock stated in the audited financial statement.</p> <p>Sources:</p> <p>i. For Total Revenue 2021 Audited Financial Statement, (pages 26 and 31)</p> <p>ii. For Total Public Debt from DMO* as at December 31, 2021.</p> <p>iii. NBS/OAGF (FAAC)</p> <p>*Table 3(i) below holds a breakdown of the Total Debt.</p> <p>** Refer to the FAAC table on DLI9 provided.</p>		

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

S/N	RIVERS STATE	2021 - AMOUNT (₦)
1	BUDGET SUPPORT LOAN (SOURCE FMOF)	21,955,277,617.69
2	BAIL OUT (SALARIES) (SOURCE CBN)	9,567,750,109.14
3	RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	21,069,269,336.43
4	EXCESS CRUDE ACCOUNT-BACKED LOAN (SOURCE CBN)	7,652,120,415.42
5	STATE BONDS	-
6	COMMERCIAL BANK LOANS	1,346,659,045.40
7	CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	2,657,467,003.00
8	ACCELERATED AGRIC DEVELOPMENT SCHEME LOAN	847,172,562.93
9	BAIL-OUT (INFRASTRUCTURE)	-
10	CBN DIFFERENTIATED CASH RESERVE REQ LOAN	-
11	HEALTHCARE DEDUCTIONS	-
12	BRIDGE FINANCE FACILITY	3,053,241,757.40
13	FAMILY HOMES FUND	-
14	ANCHOR BORROWERS PROGRAMME	-
15	OTHER FGN INTERVENTIONS	-
16	MICRO SMALL MEDIUM ENTERPRISE DEVELOPMENT FUND (MSMEDF)	2,076,557,377.05
17	JUDGEMENT DEBTS	-
18	GOVT - GOVT DEBTS	-

S/N	RIVERS STATE	2021 - AMOUNT (₦)
19	CONTRACTORS' ARREARS	33,047,403,829.84
20	PENSION AND GRATUITY ARREARS	131,341,431,311.01
21	SALARY ARREARS AND OTHER CLAIMS	-
22	OTHER DEBTS	-
	TOTAL DOMESTIC DEBT (TDD)	234,614,350,365.31
	TOTAL EXTERNAL DEBT (TED)	61,031,644,379.48
	TOTAL PUBLIC DEBT (TED+TDD)	295,645,994,744.80

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

TEMPLATE: OPTION A	₦
Item	2021
1. Total Gross FAAC allocation: Statutory Transfers and VAT (1.1 + 1.2)	191,547,921,939
1.1 Statutory transfers (1.1.1 + 1.1.2 + 1.1.3)	143,665,908,642
1.1.1 Gross statutory allocation	42,981,640,008
1.1.2 Derivation	83,828,803,420
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	16,855,465,214
1.2 VAT	47,882,013,297
2. Internally Generated Revenues (IGR) – Adjusted	124,393,589,793
3. Grants (internal and external)	-
4A. Other revenues (4.1 + 4.2 + 4.3)	-
4.1 Investment Income (e.g. dividends)	12,135,165,205.60
4.2 Interest Earned	4,870,928,432.25
4.3 Miscellaneous	-
Total Revenues and Grants Calculations	17,006,093,637.85
A) Total Revenues and Grants is (1+2+3+4A)	332,947,605,369.85

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	NONE	
2		
3		
4		

5. Comparison between SDDR and AFS figures

	SDDR	AFS	Difference
BUDGET SUPPORT LOAN (SOURCE FMOF)	17,448,969,102.00	17,448,969,102.00	-
BAIL OUT (SALARIES) (SOURCE CBN)	9,121,379,714.00	9,112,133,100.00	9,246,614.00
RESTRUCTURED COMMERCIAL BANK LOANS (FGN BOND)	20,928,786,878.00	20,928,786,878.00	-
EXCESS CRUDE ACCOUNT BACKED LOAN (SOURCE CBN)	5,987,026,227.00	5,987,026,227.00	-
STATE BONDS	-	-	-
COMMERCIAL BANK LOANS	1,016,468,526.00	-	1,016,468,526.00
CBN COMMERCIAL AGRIC LOAN (SOURCE CBN)	2,228,252,312.00	2,228,252,312.00	-
OTHERS AAD (AGRIC LOAN)	764,031,647.00	764,031,647.00	-
INFRASTRUCTURE LOANS (CBN FACILITIES)	-	-	-
MICRO SMALL MEDIUM ENTERPRISES DEVELOPMENT FUND (MSMEDF) SOURCE CBN)	2,000,000,000.00	2,000,000,000.00	-
JUDGEMENT DEBTS	-	-	-
GOVT - GOVT DEBTS	-	-	-
CONTRACTORS' ARREARS	33,047,403,830.00	-	33,047,403,830.00
PENSION AND GRATUITY ARREARS	131,992,462,338.00	-	131,992,462,338.00
SALARY ARREARS AND OTHER CLAIMS	-	-	-
OTHER DEBTS	-	-	-

TOTAL DOMESTIC DEBT (TDD)	224,534,780,574.00	58,469,199,266.00	166,065,581,308.00
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