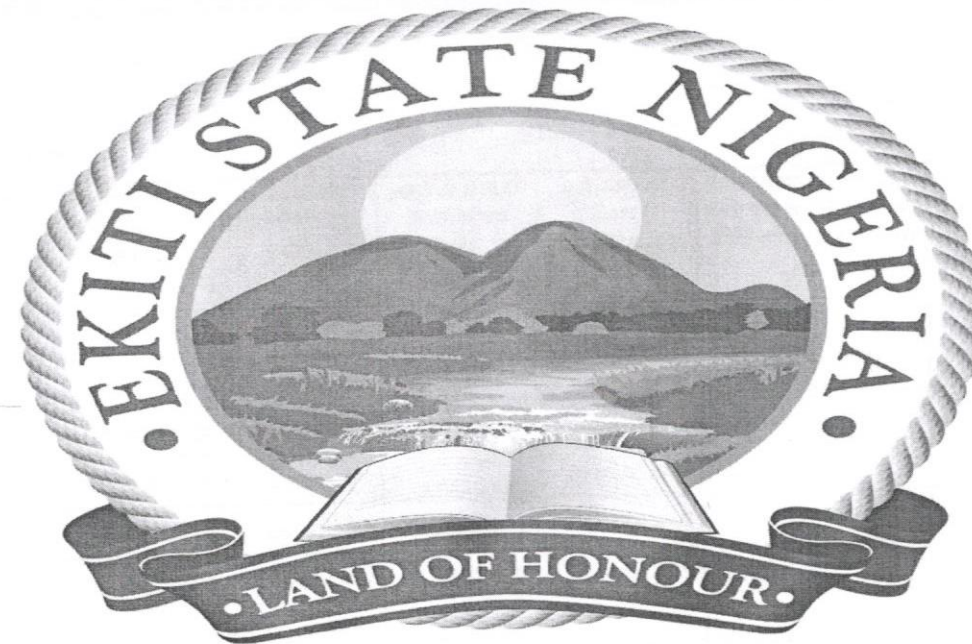


STATE ARREARS REPORTING VERIFICATION AND CLEARANCE REPORT (SARVCR)

**EKITI STATE ARREARS REPORTING,
VERIFICATION AND CLEARANCE REPORT
(EKSARVCR)**

EKITI STATE OF NIGERIA

STATE ARREARS REPORTING VERIFICATION AND CLEARANCE REPORT (SARVCR)



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STATE ARREARS REPORTING VERIFICATION AND CLEARANCE REPORT (SARVCR)

NAME OF STATE:
REPORTING YEAR:

EKITI STATE OF NIGERIA
2018

STATE DOMESTIC ARREARS STOCK REPORTING

S/N	ARREARS TYPE	OUTSTANDING ARREARS AT DECEMBER 31, 2017 (STOCK)	NEW ARREARS INCURRED IN 2018 (FLOW)	ARREARS SETTLED (PAID) IN 2018 (FLOW)	OUTSTANDING ARREARS AT DECEMBER 31, 2018 (STOCK)	NEW ARREARS INCURRED IN 2019 (FLOW)	ARREARS SETTLED (PAID) IN 2019 (FLOW)	OUTSTANDING ARREARS AT DECEMBER 31, 2019 (STOCK)	CHANGE IN ARREARS BETWEEN DECEMBER 31, 2018 AND DECEMBER 31, 2019 (h)	% CHANGE IN ARREARS BETWEEN DECEMBER 31, 2017 AND DECEMBER 31, 2018 (i)	REMARKS (j)
	<i>In Naira</i>	(a)	(b)	(c)	(d)	(e)	(f)	(g)			
1	CONTRACTORS' ARREARS	30,674,555,073.86	3,460,524,935.93	30,065,160,545.67	4,069,919,464.12					(86.73)	
2	PENSION AND GRATUITY ARREARS	18,037,630,325.42	12,559,709,577.45	5,426,214,663.79	25,171,125,239.08					39.55	
3	SALARY ARREARS AND OTHER STAFF CLAIMS ARREARS	6,963,409,007.41	18,348,511,118.89	18,974,570,003.95	6,337,350,122.35					(8.99)	
4	JUDGEMENT DEBTS	922,922,682.00	823,804,782.23	831,873,718.65	914,853,745.58					(0.87)	
										(35.52)	
	TOTAL OF ALL ARREARS TYPES	56,598,517,089	35,192,550,415	55,297,818,932	36,493,248,571						

NOTES

- The arrears figures reported represent only those arrears which have been verified and recognized as valid i.e. a legal liability of the state government.
- The arrears figures reported is consistent with the figures contained in the state internal domestic arrears database
- The arrears figures reported is in Naira and is the total amount of each type of arrears
- The report contains figures for contractor arrears, pension and gratuity arrears, salary arrears and other staff claims, even if the value is zero.
- Column (d) is expected to be equal to (a) + (b) - (c). Column (g) is expected to be equal to (d) + (e) - (f).

ALTERNATE "A" SIGNATURE MANDATE

Honourable Commissioner for Finance Or Permanent Secretary, Ministry of Finance Or State Accountant -General

Name: _____

Date: _____

Umoibin Olatunji
7/11/19

ALTERNATE "B" SIGNATURE MANDATE

DG /Head State Debt Management Department/Office/Unit Or Director, Debt

Name: _____

Date: _____

Lucy B. Bamitale
7/11/19

STATE ARREARS REPORTING VERIFICATION AND CLEARANCE REPORT (SARVCR)

POLICIES AND ACTIONS TAKEN TO STRENGTHEN THE RECORDING, VERIFICATION AND REPORTING.

Ekiti state

In an attempt to strengthen the recording, verification and reporting, Ekiti State set up a Domestic Arrear Committee saddled with the responsibility of ensuring proper and adequate overall arrears clearance process, including recording, verification, classification, reporting, prioritization and clearance of government domestic expenditure arrears in the State and to oversee the work of the State towards achieving the SFTAS DLI #8.

The duties of the committee include the following:

- Introduction of specific guidelines setting out the roles and responsibilities of individuals and institutions for the recording of domestic arrears. i.e. the roles and responsibilities of each Primary Record Holder (the entity primarily responsible for keeping the records for each type of arrears). This will include specific reporting requirements (i.e. the use of agreed recording templates and any supporting schedules) and timelines for submission to the committee (monthly).
- Introduction of specific guidelines setting out the roles and responsibilities of individuals and institutions for the verification of domestic arrears balances. i.e. the role of Internal Audit, Inspectorates, and contracted consultants. This will include reporting requirements (a validated copy of the agreed recording templates and any supporting schedules) and timelines for submission to the Domestic Arrears Committee (monthly).
- The creation, maintenance and regular (monthly) update of an accurate internal domestic expenditure arrears database and the publicly-accessible online version of the database.

STATE ARREARS REPORTING VERIFICATION AND CLEARANCE REPORT (SARVCR)

- Oversight of the overall recording, verification and reporting processes for domestic expenditure arrears to ensure that they meet the requirements of SFTAS DLI #8 as described in the SFTAS verification protocols.
- Ensure adequate classification of the arrears for prioritization purposes.
- Develop the State's Arrears Clearance Framework (ACF), including policies on prioritization and clearance of arrears.
- Provide accurate monthly, quarterly, and annual reports that present the position for verified domestic arrears and the progress made in implementing the State's ACF.
- Provide data/documentation to support the verification of SFTAS DLI #8, including the State Arrears Recording, Verification and Clearance Report.

The Committee reports directly to the State Governor through the Honourable Commissioner for Finance and Economic Development, keeping the appointed SFTAS focal persons informed. The membership of the Committee include : Commissioner of Finance (Chairman); State Accountant-General (*recommended alternate chair or secretary of committee*); Permanent Secretary – Ministry of Budget and Economic Planning; Chief Executive/Accounting Officer – Pensions Board/Commission; Chief Executive/Accounting Officer – Debt Management Department; Chief Executive/Accounting Officer – Bureau of Public Procurement / Public Procurement Agency; State Internal Auditor (Secretary) and Auditor-General for the State (as observer)

The Committee used its delegated authority to request for all necessary information which facilitates effective discharge of its functions.

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In the process of performing its function, the Committee engaged the service of professional assistance for web design and management and incurred expenditures through the established procurement systems and in line with annual budget of the secretariat.

Within this reporting year, the state through the domestic arrears committee requested that the primary record holders present contractors' arrears records which were subjected to verification by the Monitoring and Evaluation dept of Ministry of Budget, Bureau of Central Internal Budget and Bureau of Public Procurement. As such, the arrears were verified appropriately. For the salaries and others staff claims, the arrears were also verified by the committee through the Central Pay Office and the Bureau of Central Internal Audit.

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POLICIES AND ACTION TO REDUCE THE STOCK OF DOMESTIC EXPENDITURE ARREARS

Ekiti State Government shall adopt the following measures to clear her existing arrears and prevent accumulation of new one:

- i. strengthen legal and regulatory framework. the State shall empower her legal and regulatory framework on financial issues;
- ii. enhance the credibility and realism of the State's budget. The State's budget shall be a realistic plan for expenditures based on conservatively estimated revenues and the borrowing limit shall include a margin to handle the situation of revenue shortfalls;
- iii. improve accounting and reporting. the State shall ensure proper accounting and reporting;
- iv. the State Government shall strengthen her commitment controls to effectively limit commitments to approved budget allocations and to availability of actual cash;
- v. the State shall facilitate improved and integrated cash and debt management;
- vi. the State shall enhance oversight of state-owned enterprises should the reasons for arrears accumulation rest with other parts of the public sector;
- vii. Establishment of Treasury Single Account (TSA) to reduce State's reliance on commercial banks loans;
- viii. Payment shall be centralized to the State Treasury to prevent arrears as a result of administrative hurdles;
- ix. Upgrading the government financial management information systems. The system should handle the entire expenditure chain, including the release of budget funds, commitments against the budget funds, production of purchase orders based on commitments, receipt of invoices within the purchase orders, receipt of goods and services claimed in the invoices, and payment or non-payment of invoices;
- x. Monthly Cash management meeting shall be held to guide the government decision on budget fund releases.

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