

## STATE BUDGET TRANSPARENCY SURVEY (SBTS) IN NIGERIA

# METHODOLOGY

The Survey on state budget transparency is a questionnaire intended to collect a comparative dataset to create three set of indicators on: 1) the public availability of state budget information, 2) the extent to which state institutions provide opportunities for public participation throughout the (state) budget process, 3) public availability of information regarding procurement practices at the state level in Nigeria and 4) Legal Framework on Access to Budget Information and Fiscal Responsibility. Background information on the states' legal framework is also collected

This Guide will assist civil society researchers from each state in collecting the required information, guiding them through each of the four stages of the budget process and procurement.

The questionnaire contains a total of 70 multiple choice questions grouped into four sections:

- Questions 1-31 assess public availability and content of state key budget documents. Responses to these questions will be averaged to form the State Budget documents Availability Index.
- Questions 32-44 assess public participation in the budget process. Responses to these questions will be averaged to form the State Participation Index;
- Questions 45-59 assess public access to information regarding state procurement. Responses to these questions will be averaged to form the State Procurement Transparency Index.
- Questions 60-70 cover the state legal framework, in particular fiscal discipline and

### Detailed Table of Content of the Questionnaire on State Budget Transparency in Nigeria

#### *Section One: Availability and Content of Key Budget Documents*

Tables:

- Table 1. Budget Year of Documents Used in Completing the Questionnaire
- Table 2. Key Budget Documents Used: Full Titles and Internet Links

Section 1A: The State Budget Call Circular

Section 1B: The State Draft Budget Estimates

- Expenditure Classification

- Revenue
- Performance Targets

Section 1C: The State Budget Appropriation Law

Section 1D: The State Citizens Budget

Section 1E: Budget Implementation Reports

- State Quarterly Report
- State Mid-Year Review
- State Accountant General's Report

Section 1F: The State Auditor General's Report

*Section Two: Public Participation*

*Section Three: Public Availability of Information regarding Procurement*

*Section Four: Legal Framework: Access to Information and Fiscal Responsibility*

Please note that the questionnaire evaluates publicly available information issued by the state government, but do not address the availability of information at the federal government level. Also, the majority of the questions ask about what occurs in practice, rather than about the requirements that may exist in law.

All of the questions are constructed so as to capture easily observable phenomena. Researchers completing the questionnaire and peer reviewers commenting on it are asked to provide evidence for their responses. The evidence can take the form of a reference to a page/chapter/section of a budget document, a law, or other public document; a public statement by a government official (please specify date of statement, name of government official and where possible transcribe the statement verbatim); or a face-to-face interview with a government official or other knowledgeable party (again, please specify date of interview, name of interviewee(s), and detailed reporting of the interview or – if very long – a summary).

The survey questions are not intended to evaluate the quality or credibility of information that a state government provide. For example, the questions do not evaluate whether information on government expenditures, revenues, or debt may have been illicitly omitted or withheld.

Many of the questions focus on the content and timeliness of key budget documents that all states should issue, according to generally accepted good practice criteria for public sector financial management. Many of these criteria are similar to those developed by multilateral organizations, such as the IMF's *Code of Good Practices on Fiscal Transparency*, the OECD's *Best Practices for Fiscal Transparency*, and the International Organization of Supreme Auditing Institutions' (INTOSAI) *Lima Declaration of Guidelines on Auditing Precepts*.

### **Structure of Responses and Scoring Method**

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Most of the questions in this questionnaire require the researcher to choose among five response options. Responses “A” or “B” describe a situation or condition that represents good practice regarding the subject matter of the question. The responses “C” or “D” correspond to practices that are considered poor. An “A” response indicates that a standard is fully met, while a “D” response indicates a standard is not met at all. The fifth response is “E,” or not applicable. Researchers will be asked to provide evidence for their responses and to enrich their questionnaires with comments, as appropriate. The “E” response should be used as sparingly as possible because it refers to exceptional cases or special circumstances which justify that a practice is not applicable to a specific state even though it applies to others.

For the purposes of aggregating the responses, the numeric score of 100 percent is awarded for an “A” response, 67 percent for a “B”, 33 percent for a “C”, and zero for a “D.” The response of “E” causes the question not to be counted as part of the aggregated category. Some questions have three possible responses: “A,” “B,” or “C” (not applicable). For these questions, a score of 100 percent is awarded for the “A” response, and zero for the “B” response. The “C” response causes the question not to be included in the aggregated category.

Example of score aggregation: if researchers want to calculate the State Public Participation Index for state X, they will use questions 32-44 in section 2. If state X scores “B” or 67 percent for questions 32-37; “A” or 100 percent for questions 38 and 39; “d” or 0 percent for question 40-42; “C” or 33 percent for question 43-44, we can calculate the average of the responses to these 13 questions and hence the State Public Participation Index.

$$(67*6) + (100*2) + (0*3) + (33*2)/13 = 51.39$$

Therefore, the State Public Participation Index for the state is 51 (we can take out the decimals and approximate to the closest digit).

The State Budget Document Availability Index and the State Procurement Transparency Index will be calculated the same way.

*State Budget documents Availability Index = simple average of scores assigned to questions 1-2831 (section one of the questionnaire)*

This score will reflect the timeliness and basic content (comprehensiveness) of publicly available state key budget information.

Note: the timely public availability and comprehensiveness of the State Draft Budget Estimates is a key determinant of a state’s Budget documents Availability Index score, as evidenced by the fact that about 9 out of the 31 questions used to calculate the index refer to this document.

*State Public Participation Index = simple average of scores assigned to questions 32-44 (section two of the questionnaire)*

*State Procurement Transparency Index = simple average of the scores assigned to questions 45-59 (section three of the questionnaire)*

Please note: **DO NOT** average the numeric responses to *all* questions (1-70) to produce one **single, all-encompassing index**. This is because the questions in each section are relevant to only one specific aspect of state transparency and participation (key budget information, participation and procurement).

## The Research Process

The purpose of the Questionnaire on State Budget Transparency in Nigeria is to conduct a study across 36 states to determine state budget transparency levels, by measuring public availability of state budget documents, transparency in state procurement, and the degree of public participation in the state budget process.

From May to December 2018, the Civil Resource Development and Documentation Centre will work with civil society partners in 36 states to complete the Questionnaire on State Budget Transparency in Nigeria. Researchers will collect data on the four topics covered by the survey, select a response for each question, and provide accurate, objective and succinct evidence (citation and comments) for each answer.

One researcher, or group of researchers, within an organization from each of the states will be responsible for submitting one completed questionnaire for that state. Thus, the results that will be presented for each state will be based on a single completed questionnaire.

For the 2018 round of research, the researchers will begin to collect data in May 2018 and complete the questionnaire by October 2018. No events or developments that occurred after 15 October 2018 will be taken into account in completing the questionnaires.

Researchers are required to provide evidence for each of their responses. Each answer must be submitted, with an explanatory note (i.e., comment) as well as a citation from budget documents; state laws; statements or interviews with state government officials, representatives of the state assembly, or others expert on the budget process.

To assist researchers in completing the questionnaire, CIRDDOC will provide them with a *Guide to the Questionnaire on State Budget Transparency in Nigeria*. The guide outlines the research method to be used in completing the questionnaire and it introduces researchers to good practices and concepts related public expenditure management. The guide also provides detailed explanations on how to choose between possible responses and the assumptions to use in answering each question

### Questions included in the three indices:

#### State Budget documents Availability Index

- State Budget Call Circular: Questions 1-4
- State Draft Budget Estimates: Questions 5-14;
- State Budget Appropriation Law and State Approved Estimates: Question 15-23;
- State Citizens Budget: Question 24-25;
- Execution reports (State Quarterly Reports, Mid-Year Review and Accountant-General's Report: Questions 26-29
- State Auditor General's Report: Questions 23-31.

#### State Public Participation Index

- Questions 32-44

#### State Public Procurement Index

- Questions 45-59

#### Legal Framework on Access to Budget Information and Fiscal Responsibility

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Once the questionnaires are completed and submitted (by October 2018), CIRDDOC staff will review them and will spend one month in discussions with researchers (until end November 2018). The review will ensure that the all questions have been answered in a manner that is consistent with the survey methodology, as well as consistent across states. The answers will also be cross-checked against publicly available information. These will include those budget documents that states have made available on the Internet, in public libraries or which researchers are able to acquire on request.

Once the draft questionnaires have been reviewed and discussed between CIRDDOC and the researchers, they will be submitted to a peer reviewer. The peer reviewers are all individuals with substantial working knowledge of the state being reviewed and its budget system.

Finally, CIRDDOC staff will review peer reviewer comments to ensure that the comments were consistent with the study's methodology as outlined in the *Guide to the Questionnaire on State Budget Transparency in Nigeria*. If there are any peer reviewer comments that are inconsistent with the methodology explained in the guide they will be removed, and the remaining comments will then be shared with researchers. Researchers will respond to comments from peer reviewers and CIRDDOC editors will referee any conflicting answers to ensure the consistency of assumptions across states in selecting answers.

### **Definition of “Publicly Available” Budget Information**

For the purpose of this study, “publicly available” information is defined as that information which any and all members of the public might be able to obtain through a request to the public authority issuing the document. This definition, therefore, includes information that is available through well-defined procedures that ensure simultaneous release of public documents to all interested parties, as well as information or documents that are available on request.

The first place to check for information are the websites of the state authorities in charge or issuing the relevant documents. A second step would be to look in public libraries.

If information is not available on the Internet or in public libraries, researchers will check if the information is made available on request. There are many ways of doing this – more than one approach can also be used, to cross-check and accurately verify a document's public availability.

[Note, however, that approach c should not be used on its own, but together with a, or b]

- a) Researchers can conduct unannounced site visits: themselves
- b) Researchers can ask members of other civil society groups, journalists or others to request budget and public procurement documents to test their availability to the general public.
- c) Researchers can conduct surveys of civil society and other users of budget and public procurement information to determine the availability of a budget document or procurement information. This is necessary because in some states substantial budget and public procurement information is produced but is not shared with the public at all, or state government officials make arbitrary decisions regarding which individuals they are willing to share information with.

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In cases where public availability can only be verified upon request, researchers will be provided a sample request letter [see appendix to the *Guide to the Questionnaire on State Budget Transparency in Nigeria*]. To request budget documents that are not available online, researchers will adapt such letter (filling in the details specific to their own state) and physically take such letter to the relevant authority in charge of issuing the document (i.e., State Ministry of Finance, State Auditor General, or State House of Assembly).

After the letter has been sent, researchers will set a seven-working day time limit, to allow state authorities to answer. Although not all states have a Freedom of Information Act, this study will use the 7 working day limit set in the 2011 Freedom of Information Act. State governments should respond within 7 working days to provide the budget document.

IMPORTANT: in cases where information is available only upon request, if an individual request for a document is denied to the researcher or whoever had put forth such request, the document will be considered as not available to the public for the purposes of the study.

**\* Note: This methodology draws heavily from the International Budget Partnership's Open Budget Survey methodology that assesses budget transparency at the central government level. It is available at: <http://internationalbudget.org/what-we-do/open-budget-survey/research-resources/methodology/>**