

**December, 2019**

# **2018 Report on Sub-National Budget Transparency Survey for Katsina State, Nigeria**



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## **Executive Summary**

Sub-National Budget Transparency Survey (SNBTS) is gradually becoming an important segment of good governance evaluation in Nigeria, especially by Civil Based Organizations like CIRDDOC. Therefore, this report is a summary of the result for the 2018 Sub-National Budget Transparency survey conducted in Katsina State (KTS), which was commissioned in February 2018 by CIRDDOC with a detailed timetable for its execution. Importantly, Katsina State is a core state in the North-west zone of the country, which participated in the survey of 2015 and scored 8 out of 100 in Public Access to Budget Documents. Similarly, the State scored 8 out of 100 in Public Participation in Budget Process and scored 3 out of 100 in Public Access to Procurement Information while the Transparency Index was 7 out of 100. From these results, it is evidently clear that the rating for Katsina State was certainly not impressive and thus, some key recommendations were noted for the enhancement of the performance in subsequent surveys, especially for 2018. It is however necessary to state that the expediency of change in government, which brought into power a new administration in the State, entailed a change in the policy thrust of government. This inevitability of change has definitely impacted on the outcomes of the 2018 survey for KTS. Importantly, on public availability of key budget documents, the State scored 40 out of 100 meaning that budget documents are fairly made available to the public. On public participation in budget processes, the score was 8 out of 100, which implies that there is limited participation by citizens in the budget processes in the State. Similarly, public access to procurement information reveals that the State scored 7 out of 100. This result shows that the public have restricted and poor access to procurement information in the State. However, all in all, the State in the 2018 survey performed far better than 2015 because the overall 2018 budget transparency score was 24 out of 100 as against 2015 score of 7 out of 100. This certainly shows an improved performance and it is hoped that there shall be better improvement in future surveys.

## **Geographical Profile of Katsina State**

Katsina State (KTS) is a North-western, which emerged from the northern half of Kaduna state in 1987. Katsina State is located on the high plains of Hausa-land, approximately 733m above sea level. The coordinates of the State are latitudes 11° 30'N - 13° 15' north and longitudes 6° 52' E - 09° 20' east. Also, the State is bordered by the Republic of Niger to the north and by the Nigerian states of Jigawa and Kano to the east, Kaduna to the south, and Zamfara to the west (Ladan, 2019). The State consists of thirty-four (34) Local Government Areas, which are divided into three (3) Senatorial districts. They include: Katsina North comprises twelve (12) LGAs and this includes: Daura, Zango, Mashi, Maiaduwa, Dutsi, Mani, Ingawa, Bindawa, Kankia, Sandamu, Kusada and Baure. Katsina Central consists of eleven (11) LGAs: Katsina, Batagarawa, Kurfi, Dutsin-Ma, Kaita, Jibia, Batsari, Rimi, Charanchi, Safana and DanMusa; while Katsina South comprises eleven (11) LGAs which includes: Funtua, Mallumfashi, Kafur, Bakori, Dandume, Faskari, Kankara, Yantumaki, Danja, Matazu and Sabuwa (Ladan, 2019; Ibrahim, Na'Allah and Saulawa, 2016). The State occupies 9,341 square miles (24,192 square km), which accounts for approximately 2.7% of the total land area of Nigeria. KTS has population of 5,792,578 (2006 Pop. census) with the projected population figure of 7,831,319 persons for 2016 (NBS, 2017). According to University of Oxford (2017), the Multidimensional Poverty Index (MPI) for Katsina State is 0.520 with severe poverty level put at 63.7% and inequality among the MPI poor was 0.287. The MPI utilized the following indicators to compute the index i.e. assets, cooking fuel, floor, drinking water, sanitation, nutrition, child mortality, school attendance, years of schooling and electricity. Importantly, the State Appropriation Bill for 2018 was ₦213.6bn while 2019 was ₦202.4bn and 2020 Executive Budget Proposal stands at ₦249.5bn.

## Methodology of the Survey

Admittedly, the research process adopted for this survey seems unique; even though, the questionnaire method was used for data collection with specific thematic areas in the designed questionnaire. The questionnaire measured some key parameters related to budget processes, availability and transparency processes. Essentially, the questionnaire was divided into four (4) sections with 70 questions. The sections measured availability of key budget documents, public participation in budget processes, transparency in the public procurement processes, as well as access to information and fiscal responsibility, covering sections 1 to 4 respectively. It should be noted that the survey was constituted with survey team comprising the State Researcher, State Supervisor and Zonal Consultant who oversees the research process and reports back to CIRDDOC. Importantly, the final validation of data collected was done at the CIRDDOC level with its competent team of researchers to solidify the process for credibility and acceptability of the final survey outcomes.

## Key Findings

### *State budget transparency index:*

The 2018 result of the SNBTS placed Katsina State (KTS) on the rating of 24 out of 100 in terms of the overall budget transparency index. This result is indeed a fair performance compared to the 2015 result, which shows that the participation of citizens in the budget process has improved. Certainly, this is an encouraging departure from the performance of the State in 2015, which placed the State among the last three states in the budget transparency index.

### *Public availability of key budget documents*

Interestingly, Katsina state scored 40 out of 100 in 2018 contrary to the 2015 score of 7 out of 100 on public availability of budget documents. This certainly shows an impressive outcome and performance for the State. The impressive performance started on a good note with the Budget Call Circular produced and published on the 6<sup>th</sup> September, 2017, which is in line with budget practice that the draft budget estimates was expected to be produced and presented at least three (3) months in advance of the beginning of the budget year. As such, it was produced and presented on the 13<sup>th</sup> September, 2017. This implies that the draft budget estimates was produced and presented almost four (4) months before the commencement of a new a budget year of 2018. This development is indeed commendable. On the other hand, there was no detailed budget calendar for preparation and release of the State Draft Budget Estimates. Thus, no timetable could be said to have been followed or adhered to. Nevertheless, the proposal was presented to the public at the instance of KTS House of Assembly.

On budget classification by administrative units, functional, economic, programmes, gender, age, local government and senatorial districts, it was evident these classifications were complied with. The state has never produced Citizen's budget. Also, the state neither produces nor releases budget quarterly report to the public. Same fate is applicable to Mid-year reports. However, the state did produced Accountant General's Report only for 2016, which came out of the press in August, 2017 but not made available for public consumption. Similarly, the Auditor General's Report, which was never release to the public was only for the budget year 2011. The Auditor General's Report for 2016 was reported to be with the Public Account Committee of the Katsina State House of Assembly. Also, it could be stated that the State Budget does not conform to IPSAS.

Similarly, the State Medium Term Expenditure Framework (MTEF) and Fiscal Strategy Paper (FSP) are not produced by the State government.

#### *Public participation in budget process*

The State public participation in the budget process indicates that a score of 8 out of 100 for 2018. This shows that there is limited participation by citizens in the budget process. This is not unconnected with the fact that there is no formal law in the State for executive to engage citizens in budget formulation though the previous administration in the state through the budget office produces a timetable for wide stakeholder's engagement. Currently, the only opportunity that the public can know about the budget process is during budget defence by MDAs. Though, there is no established mechanism for identifying the public perspectives and there is no feedback mechanism by government to reach out to the people.

However, in the 2018 budget process, the Appropriation Committee of the State House of Assembly (SHoA) organised public hearings which ran from 8<sup>th</sup> to 30<sup>th</sup> January 2018. The report has not been shared by the current administration as was the case with the previous administration. On public engagement during budget execution, the executive does not publish the list of targeted spending and there is no inclusion of the public perspective on budget and no feedback to the public as their views were not sought for. Finally, it was found that the public is not involved in the audit process and audit reports are not publicly discussed by the State House of Assembly.

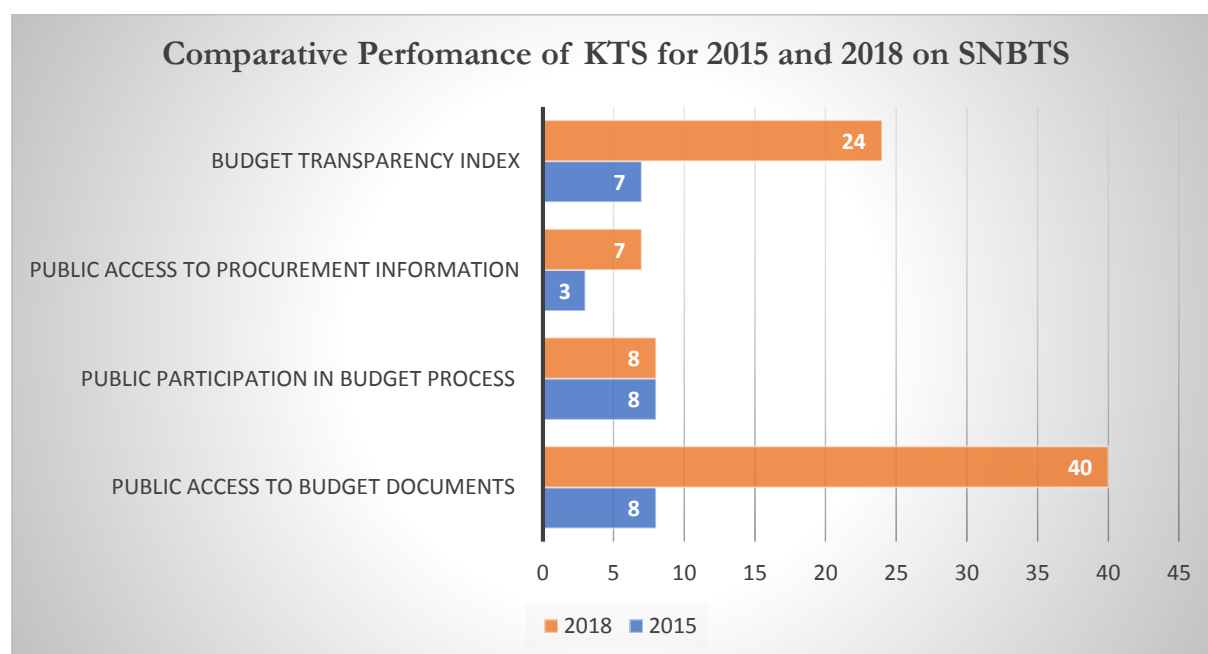
#### *Public access to procurement information*

This particular process is very germane to the outcomes of the overall budget implementation and core to good governance in Katsina State (KTS), especially in terms of financial transparency. Thus, the robustness and transparency of the procurement process in the State was interrogated during the survey and the result reveals that the State scored 7 out of 100. This shows that the public do not have significant access to procurement information in the State. This poor performance are evidently clear from the facts that Public Procurement Law (PPL) exists on paper but remained unenforced; even though, State Tenders Board regulates procurement process; yet, there is the absence of Public Procurement Bureau. Nonetheless, the MDAs have continued to play and remain the main source of information on procurement. Unfortunately, they do not invite the CSOs and other stakeholders to participate in bid openings. Also, tenders are not made public and procurement decisions are for internal consumption. The poor performance was connected to the absence of Procurement Complaints Review Body and also, Alternative Dispute Resolution (ADR). As a matter of fact, all complaints on procurements are handled by the MDAs. It is clear from the foregoing observations that the State needs to do more, in order to improve the fundamental issue of transparency in the procurement system.

#### *Comparative Analysis: 2015 Versus 2018*

For the purpose of having clear view and better understanding of the performance of the State, this section presents a comparative analysis of the performance of Katsina State (KTS) on the budget transparency survey between 2015 and 2018. The results for the two periods are presented in Figure 1. A clear contrast in terms of performance is evident from Figure 1 and this is because the performance of the State indicates that 2018 result is far better than 2015. Basically, the overall score for 2018 was 24 out of 100, which ranked the State as 19<sup>th</sup> while 2015 was 7 out of 100 with 35<sup>th</sup> position. There is no doubt that several factors could account for this improved performance

by the State, which have been highlighted in the various sections presented above. As such, recommendations for enhanced performance shall be provided in this report.



*Figure 1: Comparative Performance of KTS for 2015 and 2018 on SNBTS*

## Lessons Learnt

It is instructive to state at this juncture that some lessons have been identified for the benefit of the State, in order to properly prepare the State for subsequent surveys in the future. Some of the lessons include:

- It was observed that there is the existence of secrecy in conducting government businesses, which is certainly not good enough for good governance to be entrenched in the State;
- Some government operations are not backed by law and as such, they are amenable to change as new government comes on board. For instance, there is no formal mechanism backed by law for public participation in budget execution and also, no information on beneficiaries of targeted spending are publicly made unavailable; and
- The expediency of change in government usually alters a lot of things and this impacts on the system seriously.

## Recommendations

On budget transparency, the Executive arm of government should make conscious efforts at ensuring budget transparency in Katsina State by producing and publishing the following documents as at when due:

- Katsina State Appropriation Law within three months of being assented;
- The State Mid-Year Review annually by 30 September; and
- Accountant-General's Report.

To ensure functional and productive public participation and to effectively take advantage of the rich knowledge of CSOs and citizens, the Executive arm of government of the State and the relevant MDAs should do the following:

- Stakeholder's forum should be held with relevant stakeholders prior to the presentation of budget by the Governor and this should be preceded by a clear budget calendar which should be shared with all stakeholders;
- Publish a list of beneficiaries of projects, social plans and other targeted spending from MDAs;
- Ensure that the mechanisms for the public to provide inputs on how the budget is being prepared and implemented as well as reports on how these inputs are used and shared; and
- The Budget office should resume the production of citizens' budget because of its advantage in bringing governance close to the people.

Similarly, the Katsina State House of Assembly should do the following:

- Improve the Committee hearing reports by including written and spoken testimony to be presented.
- Involve the public and relevant stakeholders in the audit process and audit reports should be publicly presented.

The Auditor General should do the following:

- Establish pragmatic mechanisms for the public to submit inputs on what should be audited.

On the urgent need to improve the Procurement Process, in order to make it better than what it is now, the following should be done:

- The Executive arm of government should ensure the establishment of Public Procurement Bureau and should be granted the necessary powers to function effectively and efficiently;
- Also, the Procurement Complaints Review Body and Alternative Dispute Resolution (ADR) Body should be set-up to handle cases and complaints on procurements in the State instead of the MDAs that currently perform their functions; and
- The CSOs and other stakeholders should be invited to participate in the bid process, so as to promote citizenship participation in governance and budget transparency.

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