

# **Report on Sub-National Budget Transparency Survey in Nigeria: Kano State**

**By**

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## **Executive summary**

Kano state is the most populous state in Nigeria located in the North West region of the country and has 44 local governments. The National Budget Transparency survey was commissioned in February, 2018 with a detailed time table for the execution of the project. The data for the survey, was gathered from the questionnaire consisting of structured questions based on the International Budget Partnership's Open Budget Survey (OBS). Findings revealed that Kano state obtained 19% Public Access to budget documents, 44% for Public participation in budget and 28% for Public Access to procurement information. Overall Kano state scored 27% which is higher than the 2015 score of 22%. The margin of 5% is an improvement in the budget transparency by the state.

## **Geographical profile of Kano State**

**Kano State** is a state in Northern Nigeria. Created on May 27, 1967 from part of the Northern Region, Kano state borders Katsina State to the north-west, Jigawa State to the north-east, Bauchi State to the south-east and Kaduna State to the south-west. The capital of Kano State is Kano. It is the most populous states in Nigeria with over 13 million (NBS, 2016). The state is mostly populated by the Hausa/Fulani people.

Kano State is also the second-largest industrial centre after Lagos State in Nigeria and the largest in Northern Nigeria with textile, tanning, footwear, cosmetics, plastics, enamelware, pharmaceuticals, ceramics, furniture and other industries. Others include agricultural implements, soft drinks, food and beverages, dairy products, vegetable oil, animal feeds etc.

## **Methodology of the survey**

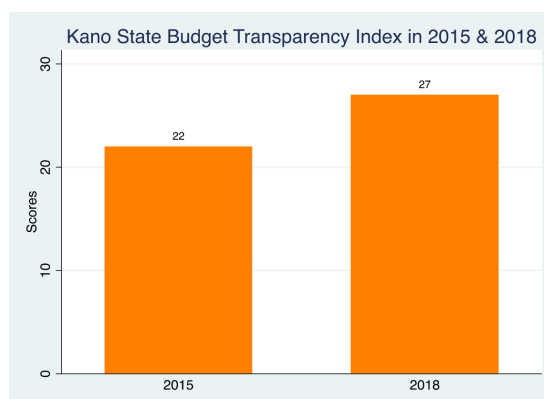
The research process adopted the use of questionnaires that was designed to measure some key parameters related to budget processes, availability and transparency processes. The questionnaire was divided into four sections comprising of 70 questions. Section one is on public availability of key budget documents, the second section covers public participation in the budget process, third section addresses public availability of information on procurement and finally, section four dwell on legal framework as it relates to information and fiscal responsibility

The survey team comprise of the State Researcher, State Supervisor and a Zonal Consultant who oversees the research process and reports back to CIRDDOC. The State research Team received support from the CIRDDOC team at every stage of the survey process.

## Key findings

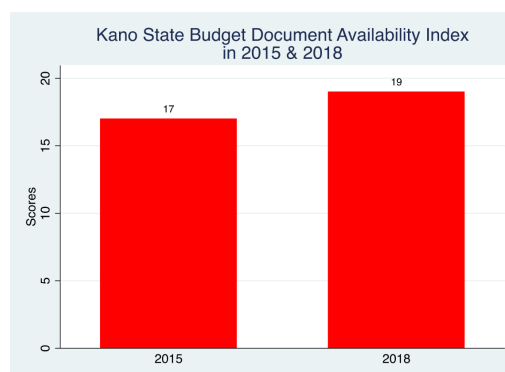
The key findings relating to budget transparency index, public availability of key budget documents, public participation in budget process and public access to procurement information are presented below:

### *State budget transparency index:*



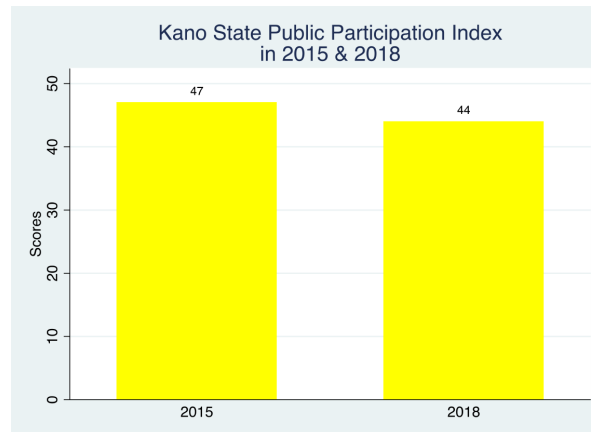
The result of the 2018 survey revealed that Kano state obtained 27 out of 100 on the State Budget Transparency Index. This result showed an increase over the 2015 performance as positive variance of 5 was recorded. This means that there is an improvement in provision of budget information to the citizens of the state. However, a minimal information is provided by the state.

### *Public availability of key budget documents*



Kano state scores 19 out of 100 on the State Budget Document Availability Index. There is a slight increase of 2 points compared to 2015. The State Budget Call Circular and State Accountant General's Report are now publicly available on request. The State Quarterly Reports and State Mid-Year Review are no longer publicly available. Kano State Integrated Planning and Budget Calendar' has about 50 activities line-up as critical to the preparation and release of all Budget documents including the State Budget Draft Estimates. The budget calendar is also adhered to by the executives. The State Draft Budget Estimates are produced before the start of the fiscal year while state budget appropriation law was enacted within the first month of the fiscal year. Thus, Kano State Medium-Term Expenditure Framework/Fiscal Strategy Paper, State Draft Budget Estimates and Votes, State Appropriation Law, and State Auditor-General's Report are produced for internal use. The Citizen's Budget isn't produced at all.

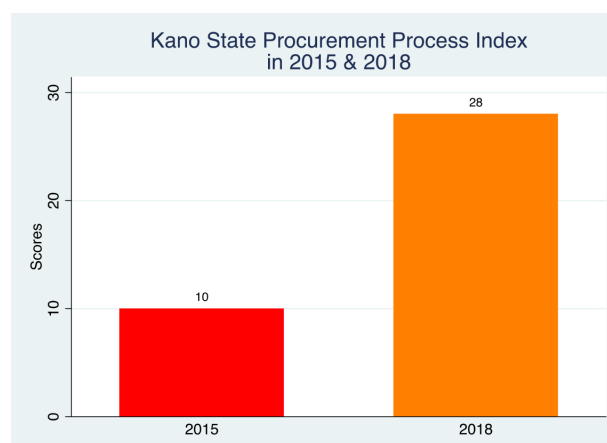
### *Public participation in budget process*



The Kano State public participation index for 2018 was 44 out of 100. This means that Kano state provide some information regarding public participation in budget process. The study revealed that no formal requirement exists requiring the executive to engage with the public during the budget formulation process. Thus, the Ministry of Budget and Planning engages to limited extent citizens and CSOs during Economic & Fiscal Update (EFU) and MTSS Review for citizens input into the Budget process. The 4.8 Billion Ward Allocation in the 2018 Budget is the product of citizens input and demand during the Budget formulation process. Hence some select groups are invited to provide inputs during budget formulation.

Public hearings in which testimony from the executives is heard are held on the budgets of a wide range of administrative units. The Kano State House of Assembly through the Radio invites stakeholders to budget discussion but the report of the committee, Information on list of beneficiaries of projects, subsidies, social plans and other targeted spending from MDA are not publicly available. Furthermore, the office of the Auditor General does not maintain any formal mechanism through which the public can participate in the audit process.

### *Public access to procurement information*



With a score of 28 out of 100, citizens have limited access to procurement information. There is an increase of 18 points compared to 2015. The Kano State Due Process Bureau guides the process and now provides all pre-bidding documents. There is some delay in publicly opening bids.

### **Recommendations**

CIRDDOC recommends the following to improve budget transparency, public participation in the budget process, and transparency in the procurement process:

#### **a) Budget Transparency**

The Kano state government should implement the recommendations of the Fiscal Sustainability Plan and go one step further by publishing online and in a timely manner the following documents that are available on request:

- State Budget Call Circular, and
- State Accountant General's Report.

The state should also publish online that it currently produces for internal use only:

- State Medium-Term Expenditure Framework/Fiscal Strategy Paper,
- State Draft Budget Estimates and Votes,
- State Appropriation Law,
- State Mid-Year Review, and
- State Auditor-General's Report.

In addition to publishing these documents, the Kano State Ministry of Finance and Economic Development should make budget information accessible by producing and publishing a Citizen's Budget. The state should also produce and publish State Quarterly Reports.

#### **b) Public Participation**

To effectively take advantage of knowledge of CSOs and citizens, the government in Kano state should do the following:

- Open the budget formulation process to all constituencies; establish effective mechanisms to solicit the public's inputs on what should be included in the State Draft Estimates and Votes; and clearly articulate what the government expects to do with these inputs.
- Publish a list of beneficiaries of projects, subsidies, social plans, and other targeted spending from MDAs.
- Establish practical mechanisms for the public to provide inputs on how the budget is being implemented and publish reports on how these inputs are used.

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

- Provide spaces for the public to testify during budget approval.
- Open the hearings on the Auditor-General's Report to the public.

Lastly, the Auditor-General should do the following:

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

#### **c) Procurement Process**

To improve the entire procurement process, the following should be done:

- The Kano State Due Process Bureaus should publish procurement awards and justification of awards for all community projects, and have a complaints review mechanism. This body should manage the procurement process for all MDAs and include representatives from the private sector and civil society.