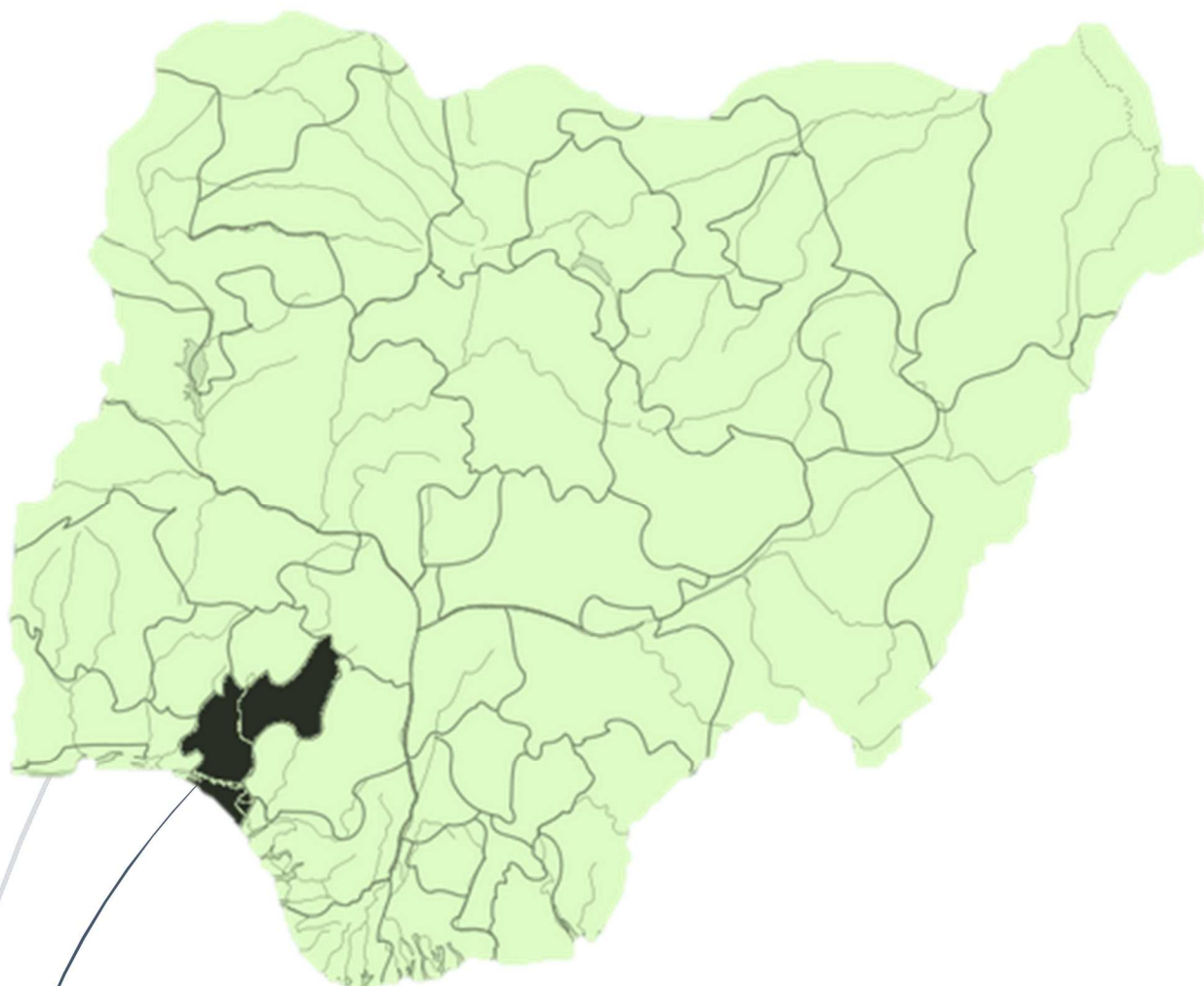


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# **Report on Sub-National Budget Transparency Survey Ondo State, Nigeria**



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## Executive summary

This report summarises the result of the 2018 Sub-National Budget Transparency survey conducted in Ondo State, Nigeria which was commissioned in February 2018 with a detailed timetable of delivery. Ondo State took part in the 2015 survey and scored 44 out of 100 in Public Access to budget documents, 44 out of 100 on Public participation in budget, 33 out of 100 in Public Access to procurement information. This was a far rating and several key recommendations were also suggested for improvement in line with best practices in budget processes. However, due to the constitutional need for change of government, the new government was inaugurated, and it came with a policy thrust and an approach in conducting government business. Appraised against the baseline rating, the State in the 2018 survey performed poorly. The overall budget transparency score for 2018 was 26 out of 100 showing that the state provides minimal information on budget to citizens. On availability of key budget documents to the public, the state scored 43 out of 100 meaning that budget documents are available to some extent to the public. On public participation in budget processes, the score was 08 out of 100 which reveals that there is limited participation by citizens in the budget processes in the State. Similarly, on public Access to procurement information the state score of 07 out of 100 was an indication that the public had little or no access to procurement information in the state.

## Geographical profile of Ondo State

Ondo State is one of the 36 States of the Federal Republic of Nigeria. Ondo State was created on February 3, 1976, from the former Western State, with 18 Local Government Areas and a Land Area of 14,788,723 square kilometres. Ondo State is located in the South Western Zone of Nigeria. The state lies between longitudes 4°30" and 6° East of the Greenwich Meridian, 5°45" and 8° 15" North of the Equator. Ondo State is bounded in the North by Ekiti State, Kogi State in the Northeast, Edo State in the East, Delta in the Southeast, Oyo State in the West, Ogun in the Southwest and Osun in the Northwest. The population of Ondo as at the 2016 population projection is 4,671,700.

## 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 sections 1-4 with 70 questions in all. 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.

The survey was constituted with survey team comprising 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 process.

## Key findings

### *State budget transparency index:*

The result of the 2018 survey placed Ondo State on the rating of 26 out of 100 in terms of the overall budget transparency index. This result indicates an abysmal performance, showing that the state provides minimal information on budget to citizens. This represents a great departure from the performance of the state in 2015 which placed Ondo State among the first six states in the transparency index.

### *Public availability of key budget documents*

Ondo State scored 43 out of 100 in public availability of key budget documents. This rating indicates an improvement on the 2015 score of 41 out of 100. The score of 43 points to the fact that some of the key

budget documents that were not available in 2015 are now available to the public. The State Budget Call Circular is now publicly available. Though, the draft Budget estimates is produced but presented less than one (1) month to the beginning of the budget year as against at least three (3) month in advance of the beginning of the budget year. This affected the participation of the public in making inputs to the budget proposal. Other documents such as the State Medium Term Expenditure Framework (MTEF), Fiscal Strategy Paper (FSP), State Appropriation Law, State Accountant General's Report and State Auditor-General's Report are available, while the State Draft Budget Estimates and Votes are produced for internal use. However, just like in 2015, Ondo State failed to produce the citizen's budget, State Quarterly Reports, and State Mid-Year Review.

#### *Public participation in budget process*

The State public participation index for 2018 was 8 out of 100. This shows that there is limited participation by citizens in the budget process. Despite the fact that the State now has a formal law that allows the executive to engage citizens in the process of budget formulation, such engagement was limited to a few Non-Governmental Organizations. The State is yet to establish a practical mechanism for identifying and involving members of the public in ways that would allow for meaningful participation of the elderly, youths, women, disadvantaged groups, and people with disabilities, among others. There is also no feedback mechanism by government to reach out to the people.

Also, in the 2018 budget, the Appropriation committee of the State House of Assembly (SHoA) did not organised public hearings, but only invited some stakeholders to budget defence where people cannot make inputs. 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 are not sought. 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*

The robustness and transparency of the procurement process in Ondo State during the 2018 survey revealed that citizens have almost no access to procurement information as indicated by the score of 7 out of 100.

This is not unconnected with the fact that although the state passed the Public Financial Management (PFL) law in 2017, which included the Public Procurement Law (PPL) 2017, the signed PPL cannot be sighted anywhere in the state. This is aside the fact that the State failed to inaugurate a Public Procurement Council in line with the provision of the PPL where both Private sector and Civil Society Representatives are expected to be members. Also noticeable is the fact that even though a Public Procurement Bureau exist in the state, it is the State Tenders Board that superintend on award of contracts. As such, information concerning individual tender can only be accessed from the procuring MDAs. The MDAs in the state also do not invite Civil Society Organizations and other stakeholders' representatives during bid openings. Also, tenders are not opened publicly in the state, and as a result, procurement decisions are never published. Similarly, the justification for awarding the contract to the selected contractor in the state is never published. Equally, the state does not have an external procurement complaints review body, and Alternative Dispute Resolution (ADR) mechanism related to procurement bid documents and contract award decisions are not available. Finally, the state does not publish any information on awarded contracts for community projects.

#### *Comparative Analysis: 2015 Vs 2018*

Comparing the performance of Ondo State on the budget transparency survey between 2015 and 2018 reveals a clear contrast in terms of performance as Ondo State was within the first six in 2015 but found

herself in the 26<sup>th</sup> position in 2018. Several factors account for this drastic drop in performance by the state which we will address in recommendations for improvement. See chart below;

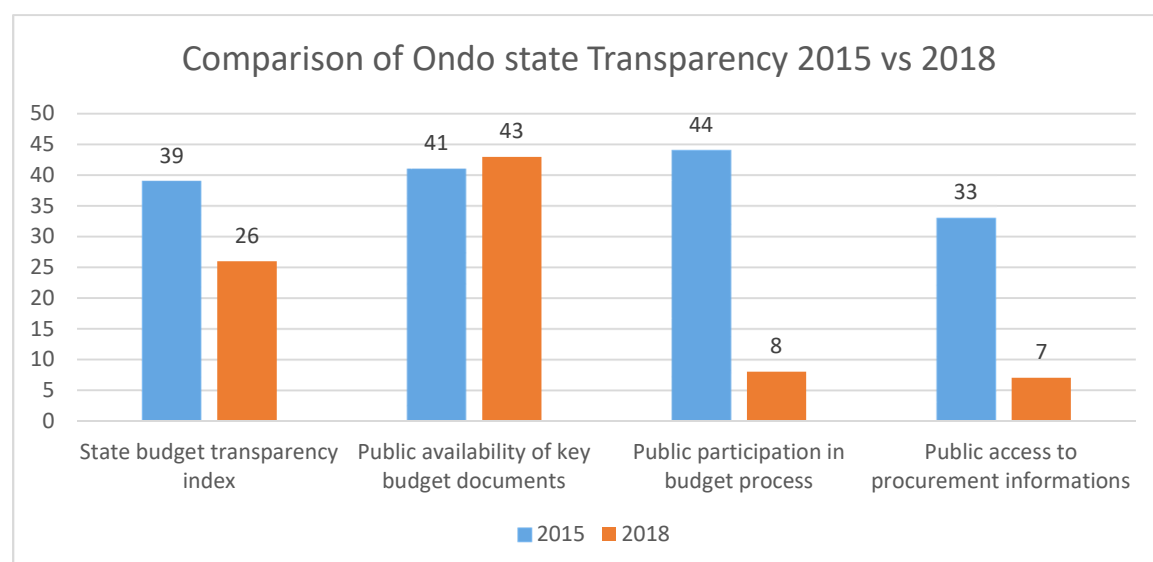


Fig. 1: Performance of Ondo State in 2015 vis-à-vis 2018 on budget transparency

### Lessons Learnt

The following are observable lessons learnt in the course of this research;

- The conduct of government businesses is still shrouded in secrecy in Ondo State.
- The existence of relevant laws does not guarantee effective implementation, if there is no commitment from the leadership.
- Opportunities for meaningful citizens' participation in the entire budget process is still very minimal.

### Recommendations

In the area of Budget Transparency, the Government of Ondo State should implement the recommendations of the Fiscal Sustainability Plan. The government also needs to go a step further by publishing online and in a timely manner those documents that are produced for internal use and the ones that are available on request, such as:

- State Draft Budget Estimates and Votes.
- The State Auditor-General's Report.

In addition, the Ondo State Ministry of Finance and Ministry of Budget and Planning should make budget information accessible by producing and publishing the following documents:

- A citizen's Budget.
- State Quarterly Reports.
- State Mid-Year Review.

To ensure Public Participation and to effectively take advantage of the rich knowledge of CSOs and citizens, the Government of Ondo 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 Ondo 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.

As ways of improving the Procurement Process, the following should be done:

- The Ondo State House of Assembly should enact a procurement law to establish a Public Procurement Bureau.
- The Bureau 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.

### **Reference**

2018 Report: Nigerian States Budget Transparency Survey, CIRDDOC