



CIVIL RESOURCE DEVELOPMENT AND DOCUMENTATION CENTER

## Subnational (States) Budget Transparency Survey (SNBTS) 2022

### METHODOLOGY

#### **Section 1: Implementing the Subnational (States) Budget Transparency Survey SNBTS) 2022 and Calculating the Budget Transparency Index (BTI).**

The Subnational Budget Transparency Survey assesses the public availability of budget information and other budgeting practices that contribute to an accountable and responsive public finance system in Nigerian States. The majority of the Survey questions assess what occurs in practice, rather than what is required by law.

The Survey assesses the contents and timely release of eight key budget documents that all states should issue at different points in the budget process, according to generally accepted good practice criteria for public financial management. Many of these criteria are drawn from those developed by multilateral organizations, such as the International Monetary Fund's (IMF) Code of Good Practices on Fiscal Transparency, the Organization for Economic Co-operation and Development's (OECD) Best Practices for Fiscal Transparency, and the International Organization of Supreme Auditing Institutions' (INTOSAI) Lima Declaration of Guidelines on Auditing Precepts. The strength of such guidelines lies in their universal applicability to different budget systems around the world and to states with different income levels. The Subnational Budget Transparency Survey (SNBTS) covers additional topics of importance to civil society and proponents of good governance, including the extent to which the public can participate during each phase of the budget process, factors related to legislative strength and the role of the state's auditor-general office. The SNBTS 2022 is a collaborative research process in which the CIRDDOC worked with civil society partners in 36 states over the past one year. The 36 states assessed in what is the fourth round of the Survey (earlier rounds were in 2012, 2015, and 2020).

#### **The Subnational (States) Budget Transparency Questionnaire**

The results for each state in the 2022 Survey are based on the 94-question questionnaire that is completed by one researcher or group of researchers within an organization from the state. Almost all of the researchers responsible for completing the *States Budget Transparency Questionnaire* belong to either academic institutions or civil society organizations. Though the mandates and areas of interest of the research groups vary widely, all have a common interest in promoting transparent and responsive budgeting practices in their states. Most of the researchers belong to organizations with a significant focus on budget issues.

Most of the 94 2022 Survey questions require researchers to choose from five responses. Responses "a" or "b" describe a situation or condition that represents good practice regarding the type of budget information (or budget practice) that the question assesses, with "a" indicating that the standard is fully met. Response "c" corresponds to minimal efforts to attain the relevant standard, while a "d" indicates that the standard is not met at all. An "e" response indicates that the standard is not applicable. Some questions, however, only have three possible responses: "a" (standard met), "b" (standard not met), or "c" (not applicable). Researchers are required to provide adequate evidence for each of their responses, and to supplement their answers with comments, clarifications, and links to relevant documentation. Once completed, the questionnaire responses are quantified. For the questions with five response options, an "a" receives a numeric score of 100, a "b" receives 67, "c" answers get 33, and "d" responses are scored 0. Questions receiving an "e" are not counted as part of the state's aggregated scores. For the questions with three response options, the scores are 100 for an "a" response, 0 for a "b," and "c" responses are not included in the aggregated score.

## The research process

The researchers began collecting data for the 2022 Survey in May 2022 and will complete the questionnaire for their state by December 2022. The Subnational Budget Transparency Survey 2022 assesses only events, activities, or developments that occurred up to 31 December 2022; any actions occurring after this date are not accounted for in the 2022 Survey results. All responses to the Survey questions are supported by evidence, such as citations from budget documents; the state's laws; or interviews with government officials, legislators, or experts on the state's budget process.

Throughout the research process, CIRDDOC staff members will assist the researchers in following the Survey methodology, particularly the guidelines for answering Survey questions. (See the Guide to the Budget Transparency Questionnaire at: [statesbudgettransparencysurvey-ng.com](https://statesbudgettransparencysurvey-ng.com) )

Upon completion, CIRDDOC staff members will analyze and discuss each questionnaire with the individual researchers over a two to three-month period. The CIRDDOC analysis seeks to ensure that all questions are answered in a manner that is internally consistent for each state, as well as consistent across states. The answers are also cross-checked against published budget documents and reports on fiscal transparency issued by international institutions, such as the IMF, World Bank, IBP and the OECD.

The questionnaires are then reviewed by two anonymous peer reviewers who have substantial working knowledge of the budget systems in the relevant state. The peer reviewers, who are not associated with the government of the state they reviewed, will be identified through searches of bibliographies, professional contacts, the Internet, and past CIRDDOC conference records.

CIRDDOC staff members review peer reviewer comments to ensure that they are consistent with the study's methodology. Any peer reviewer comments that are inconsistent are removed, and the remaining comments then shared with researchers. Researchers respond to comments from peer reviewers and their government, if applicable, and CIRDDOC editors referee any conflicting answers in order to ensure the consistency of assumptions across states in selecting answers.

CIRDDOC also invites the governments of the 36 states surveyed to comment on the draft Survey results. The decision to invite a government to comment on the draft results is made after consulting with the relevant research organization responsible for the Survey. The CIRDDOC makes a major effort to encourage governments to comment on the draft results; many governments that do not initially respond to CIRDDOC letters are contacted on five or six separate occasions. Of the 36 state governments contacted by the CIRDDOC, in the 2020 survey, 12 commented on the Survey results for their state. These comments can be seen in their entirety in the relevant questionnaires at: [statesbudgettransparencysurvey-ng.com](https://statesbudgettransparencysurvey-ng.com)

## The Budget Transparency Index

The States Budget Transparency Index (BTI) assigns each state a score from 0 to 100 based on the simple average of the numerical value of each of the response to the 54 questions in the questionnaire that assess the public availability of budget information. A state's BTI score reflects the timeliness and comprehensiveness of publicly available budget information in the eight key budget documents.

Survey measures for oversight institutions and public participation

Of the 40 Survey questions that are not used to calculate the BTI, the majority assess the oversight capacity of legislatures and auditors-general (AGs), as well as the opportunities for public engagement during the budget process. To gain an overall sense of the "strength" of each of these institutions and the level to which governments include the public in budget decision making and monitoring, the responses to the questions on each — legislatures, AGs, and public participation — are averaged. These measures should be used as indicative data only, as the dataset of questions on the legislature, the AG, and public participation are not as comprehensive as that on public access to information.

Two questions (36 and 39) on In-Year Reports have been added over subsequent rounds of the Survey, so they have not been included in the BTI calculation in order to maintain comparability across time. The response to a question (64) on whether the executive publishes accessible and nontechnical definitions of terms used in the budget and other budget-related documents is also not included in the States Budget Transparency Index.

## Section 2: What Is New in the 2022 Open Budget Questionnaire, and What Are the Implications?

The structure of the 2022 Subnational (State) Budget Transparency Questionnaire is different than that used in previous rounds. The CIRDDOC has added and deleted a number of questions, although the overall number of questions has only gone up to 94 questions in this round from 86 in previous rounds. The State Budget Transparency Questionnaire is now composed of five sections, one more than earlier rounds.

Most of the changes made to the *State Budget Transparency Questionnaire* deepen the Survey's assessment of the relative strength of the legislature and state auditor-general and public engagement in budget processes. As described in detail below, the questions used to calculate the State Budget Transparency Index are for the most part unchanged and, therefore, the indices are comparable across all four rounds.

Sections 1 and 2 are essentially the same as in prior rounds, describing the key budget documents used to complete the questionnaire and assessing the public availability and comprehensiveness of the Executive's Budget Proposal and its supporting documents. Given its importance in presenting the government's priorities and plans for raising and spending public funds in the coming year and in establishing the agenda for the budget debate, the Survey places particular emphasis on the proposed budget.

Section 3 evaluates the public availability and comprehensiveness of key budget reports throughout the budget process. The questions on legislative strength that had been included in this section in previous rounds were moved to two new sections; however, though the remaining questions have been renumbered, the wording and order are unchanged.

Section 4 was added to the 2022 Survey and is composed of questions that measure the strength of the legislature and state auditor-general (AG). It includes questions that were part of the Survey in previous rounds, as well as new questions that look at various factors like whether there is an established research body that can provide the legislature with analysis and guidance on budget matters; whether there are legislative pre-budget debates; the procedures for shifting funds, not only between administrative units but also between individual line items; and the procedures in place for when additional revenue is raised during the budget year.

Section 5 is also a new section, and it includes 12 questions on public engagement in the budget process. Some of these questions (those on legislative public hearings, for example) had been in different sections of the questionnaire in previous rounds, but there are a substantial number of new questions, as well. Other questions in this section assess the presence of legal requirements, mechanisms, and feedback procedures for public engagement with the executive, legislature, and state auditor general. Finally, section 5 also includes four questions on the Citizens Budget, three more than in prior Survey questionnaires. This deeper attention to Citizens Budgets reflects the growing recognition of the importance of this document as a key element of budget transparency in a given state.

Other 10 questions (82-91) in this section assess the level of transparency in the state procurement system and 92-94 availability of legal provisions.

Measuring The Timely Release Of Information To The Public Throughout The Budget Process			
Budget Document	Release Deadlines for "Publicly Available" Documents*	SNBTS 2022 Questions	Number of Questions per Document in the SNBTS
Pre-Budget Statement ( MTEF/FSP)	Must be released at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration.	1 - 6, 32-34, PBS	9

Executive's Budget Proposal and supporting documents for the Executive's Budget Proposal	Must be publicly released while the legislature is still considering it and before it is approved. In no case would a proposal released after the legislature has approved it be considered "publicly available."	7 - 27, EBP	21
Enacted Budget (Approved Budget)	Must be released no later than three months after the budget is approved by the legislature.	59, EB	1
Citizens Budget	Must be released within the same timeframe as the underlying Executive's Budget Proposal or Enacted Budget. For example, a Citizens Budget for the Executive's Budget Proposal must be released while the legislature is still considering the Executive's Budget Proposal and before it is approved.	66 - 69	4
In-Year Reports	Must be released no later than three months after the reporting period ends.	35 - 38, IYR	4
Mid-Year Review	Must be released no later than three months after the reporting period ends.	39-42, MYR	4
Year-End Report	Must be released no later than 18 months after the end of the fiscal year (the reporting period).	43-47, YER	5
Audit Report	Must be released no later than 12 months after the end of the fiscal year (the reporting period).	48 - 54, AR	7
*The States Budget Transparency Survey considers a document to be "publicly available" if it is published on the relevant government website within the given timeframe and is available free of charge.			

## Summary of the Changes in the 2022 States Budget Transparency Questionnaire

- Two questions were modified: 66 and 79. (Note that these were questions 26 and 45, respectively, in the 2020 States Budget Transparency Questionnaire.)
- Eight questions were added: 24, 33-34, 36, 38, 44, and 46-47. These have been used in defining indicators for public engagement and legislative strength

## Implications of changes for the Open Budget Index and other indicators

### Citizens Budget

The increase from two to four in the number of questions on the Citizens Budget is the only change in the 2022 States Budget Transparency Questionnaire that affects the calculation of the States Budget Transparency Index. Instead of being calculated from 33 questions, as in previous rounds, the BTI 2022 is based on 54 questions. In addition to asking whether or not the government produces and publishes a Citizens Budget, the new questions assess the extent to which the public was engaged in developing the document, how the document is disseminated, and whether a Citizens Budget is produced for every phase of the budget process.

The new questions increase the variance in performance with regard to Citizens Budgets, which could result in SBTI 2022 scores that are higher or lower than they would have been without the changes. So can you still compare the SBTI 2022 with the indices from earlier rounds of the Survey? Ideally, to ensure comparability the CIRDDOC would have been able to find answers for the new questions for the three previous rounds and recalculate the respective SBTI scores. However, there is insufficient information available to do this in a rigorous way, so the States Budget Transparency Indices for the 2012, 2015, and 2020 rounds would not be updated. To assess the extent to which the new questions affect states' SBTI 2022 scores, and thus how comparable 2022 scores will be to those from prior rounds of the Survey, the CIRDDOC Statistical tests will show the results across the four rounds of the Survey.

## Strength of the Legislature

The changes to the 2022 Survey's indicators on legislative strength do not affect the calculation of the Open Budget Index. These changes include four new questions that were added to the Survey questionnaire from previous rounds. Further, existing questions were revised to obtain a more accurate and comprehensive assessment of the role of legislatures during the budget process, and of the effectiveness of their oversight of government policies.

Evaluating Oversight Actors And Practices		
Indicator Measured	SNBTS 2020 Question Numbers	Number of Questions per Indicator
Public engagement in the budget process	34 - 38 70 - 74	8
Role of the legislature	39 - 41 47 - 58	3
Role of the supreme audit institution	45 - 46 59 - 62	2

Finally, four questions that were used to assess the strength of legislative oversight in previous rounds of the Open Budget Survey are now being used to assess opportunities for public participation in budgets. While the responses to existing questions are comparable over time, the addition of the new questions on the legislature means that the average scores for the strength of this institution across the different Survey rounds are not comparable.

## Strength of the Supreme Audit Institution

Only four indicators have been used to assess the strength of the supreme audit institution:

- authority to remove the head of supreme audit institution (question 51);
- legal power to audit public finances (question 52);
- financial resources available to the SAI and the authority to determine its own budget (question 53); and
- availability of skilled audit personnel.

In previous Surveys the SAI strength indicator was composed of a greater number of questions. These questions are still included in the 2022 Survey (questions 48, 49, 50, and 54): however, some are now used to construct the indicators for public engagement, comprehensiveness of the audit report, and legislative strength. Because of these changes, the 2022 scores for the strength of the SAI won't be comparable to those of earlier Survey rounds.

## Public Engagement in the Budget Process

Finally, a set of 12 indicators was created to assess the extent to which the executive, legislature, and supreme audit institution engage the public in the budget process (questions 70-81).

## Section 3: Weighting the Relative Importance of Key Budget Documents and Implications on Scores

As mentioned above, each state's BTI 2022 score will be calculated from a subset of 54 Survey questions. Though each of the eight key budget documents assessed may have a different

number of questions related to it, the BTI score is a simple average of all 54 questions. In calculating the BTI scores, no method of explicit weighting will be used to offset the disproportionate influence of documents that have more questions about them on the Survey.

Though using a simple average is clear, it implicitly considers certain budget documents as more important than others. In particular, 27 of the 54 SBTS questions assess the public availability and comprehensiveness of the Executive's Budget Proposal, and thus are key determinants of a state's overall Budget Transparency Index (BTI) score. In contrast, the Enacted Budget and the Citizens Budget are the focus of only one and four questions, respectively.

This implicit weighting is not without justification. From a civil society perspective, the Executive's Budget Proposal is the most important budget document, as it lays out the government's budget policy objectives and plans for the upcoming year. Access to this information is critical for civil society to influence budget debates prior to approval of the final budget. However, CIRDDOC uses several alternative methods for calculating the BTI 2022 to assess the degree to which the current calculation method may bias the SNBTS results. These tests will determine whether the BTI rankings of the States will largely remain consistent regardless of weighting method.

<b>Evaluating Transparency in the Procurement System &amp; Legal Framework</b>		
<b>Indicator Measured</b>	<b>SNBTS 2022 Question Numbers</b>	<b>Number of Questions per Indicator</b>
Public Procurement	63 - 77	15
Legal Framework	78 - 86	9

### **Do You Have Questions?**

This annex presents a basic description of the methodology used in producing the States Budget Transparency Survey 2022, including a summary of changes made to the Survey and their impact on results and comparability across the four rounds. We also have tried to address some methodological questions in fairly nontechnical terms. If you have more technical questions about the States Budget Transparency Survey, or would like more details on any aspect of the methodology, please contact the CIRDDOC at [statesbudgettransparencysurvey-ng.org](mailto:statesbudgettransparencysurvey-ng.org)