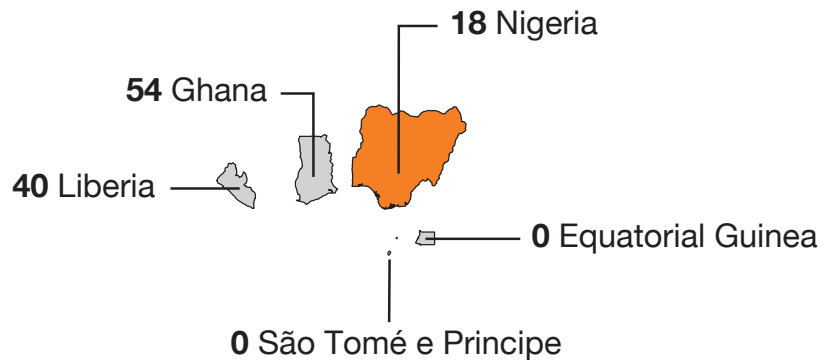
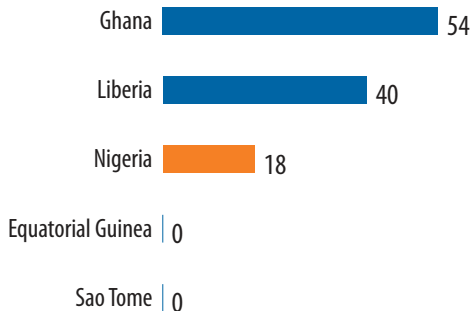




**Overall score: 18** (Out of 100) Provides scant information to the public in its budget documents during the year.

### How Does Nigeria Compare to Its Neighbors?



## Key Findings

The scores for 92 questions from the Open Budget Survey (see text box) are used to compile objective scores and rankings of the relative transparency of each country's budget process. These scores constitute the Open Budget Index (OBI).

Nigeria's OBI 2010 score is 18 out of 100, which is less than half the average score (42) for the 94 countries surveyed. Nigeria's score indicates that the government provides the public with scant information on the central government's budget and financial activities assessed by the Survey. This makes it virtually impossible for citizens to hold the government accountable for its management of the public's money.

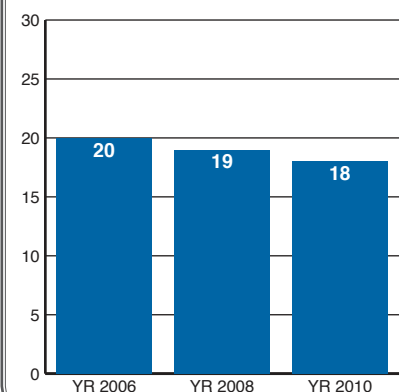
Nigeria's OBI score essentially remained the same from 2008 to 2010. Among other West African countries included in the Survey, Nigeria scores lower than Ghana (54) and Liberia (40).

### Information in Public Budget Documents

#### Adequacy & Availability of Eight Key Budget Documents

Document	Level of Information Grade*	Publication Status
Pre-Budget Statement	B	Published
Executive's Budget Proposal	E	Published
Enacted Budget	A	Published
Citizens Budget	B	Published
In-Year Reports	B	Published
Mid-Year Review	E	Produced, Not Published
Year-End Report	E	Produced, Not Published
Audit Report	E	Produced, Not Published

### OBI Scores Over Three Surveys



\* Grades for the comprehensiveness and accessibility of the information provided in each document are calculated from the average scores received on a subset of questions from the Open Budget Survey. An average score between 0-20 (scant information) is graded as E; 21-40 (minimal) is graded as D; 41-60 (some) is graded as C; 61-80 (significant) is graded as B; and 81-100 (extensive) is graded as A.

An **Executive's Budget Proposal** is the government's most important policy instrument. It presents the ways the government plans to raise revenues and where these funds are allocated, thus transforming policy goals into action. In Nigeria the budget proposal has serious deficiencies, with major gaps in information in the following areas:

- It lacks data on expenditures and revenues for multi-year periods, i.e., information on the prior year's budget (Budget Year-1) and information on anticipated future year expenditures (Budget Year+2). Prior-year data are important because they provide a benchmark against which budget proposals can be assessed, while long-term spending projections can yield insights into the feasibility and sustainability of future budget proposals.
- It lacks information on certain fiscal activities that can have a major impact on the government's ability to meet its fiscal and policy goals, including information on extra-budgetary funds, quasi-fiscal activities, tax expenditures, contingent and future liabilities, and financial and other assets. Without this information, the public does not know the government's complete fiscal position.
- It lacks information on outputs and outcomes. This information is important for those who are interested in monitoring the impact of the budget.

A **Pre-Budget Statement** sets forth the broad parameters that will define the government's forthcoming budget. Nigeria publishes a fairly comprehensive Pre-Budget Statement.

An **Enacted Budget** becomes a country's law and provides the baseline information for all budget analyses conducted during the budget year. In general terms, the Enacted Budget should provide data the public can use to assess the government's stated policy priorities and hold it to account. Nigeria publishes a comprehensive Enacted Budget.

A **Citizens Budget** is a nontechnical presentation of a government's budget that is intended to enable the public — including those who are not familiar with public finance — to understand a government's plans. Nigeria initiated publication of a Citizens Budget for the 2009 fiscal year, and it is fairly comprehensive.

**In-Year Reports** provide a snapshot of the budget's effects during the budget year. They allow for comparisons with the Enacted Budget figures and thus can facilitate adjustments. Nigeria publishes fairly comprehensive In-Year Reports, but information on actual borrowing is not released every month.

A **Mid-Year Review** provides a comprehensive overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies. Information in this report allows the government, legislature, and the public to identify whether or not adjustments related to revenues, expenditures, or borrowing should be made for the remainder of the budget year. Nigeria produces a Mid-Year Review, but it is not made public.

# OPEN BUDGET SURVEY 2010

## Nigeria

The International Budget Partnership's Open Budget Survey assesses the availability in each country assessed of eight key budget documents, as well as the comprehensiveness of the data contained in these documents. The Survey also examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAI), as well as the opportunities available to the public to participate in national budget decision-making processes.

Research to complete this country's Open Budget Survey was undertaken by:

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A **Year-End Report** compares the actual budget execution to the Enacted Budget. The Year-End Report can inform policymakers on tax policies, debt requirements, and major expenditure priorities, thus facilitating adjustments for upcoming budget years. Nigeria produces a Year-End Report, but it is not made public.

An **Audit Report** is an evaluation of the government's accounts by the country's supreme audit institution (SAI). It reports whether the government has raised revenues and spent national revenue in line with the authorized budget, whether the government's bookkeeping is balanced and accurate, and whether there were problems in the management of public funds. Nigeria produces an Audit Report, but it is not made public.

### *Public Participation and Institutions of Accountability*

Beyond improving the availability and comprehensiveness of key budget documents, there are other ways in which Nigeria's budget process can be made more open. These include ensuring the existence of a strong legislature and SAI that provide effective budget oversight, as well as providing greater opportunities for public engagement in the budget process.

#### **Are oversight bodies effective in their budget role?**

Oversight Institution	Strength**
Legislature	Moderate
SAI	Weak

\*\* Legislature and SAI strengths are calculated from the average scores received for a subset of questions from the Open Budget Survey. An average score between 0-33 is graded as weak, 34-66 as moderate, and 67-100 as strong.

According to the Open Budget Survey, budget oversight provided by Nigeria's legislature is inadequate because it does not:

1. have full powers to amend the Executive's Budget Proposal presented to it at the start of the year, before the budget is enacted;
2. adequately scrutinize audit reports; and
3. hold public hearings during budget discussions.

According to the Open Budget Survey, budget oversight provided by Nigeria's SAI is weak because it does not:

1. have full discretion in law to select what it will audit;
2. have sufficient resources to meaningfully exercise its mandate;
3. issue timely Audit Reports on the final expenditures of national departments;
4. have proper channels of communication with the public; and
5. have adequate reporting on the follow-up steps taken by the executive to address audit recommendations for remedial action.

## Recommendations

### **Nigeria should:**

- publish on the government’s website budget documents that are already being produced — the Mid-Year Review, the Year-End Report, and the Audit Report;
- improve the comprehensiveness of the Executive’s Budget Proposal and publish it at least one month before the beginning of public hearings to enable effective citizen engagement;
- abide by the timeline for the budget cycle provided by the Constitution;
- strengthen the role of the legislature and the SAI in the budget process; and
- provide adequate opportunities to the public to participate effectively in legislative hearings on the budget.