

Revenue Generation and Local Government Administration in Nigeria (1999-2007): The Case of Ijumu Local Government Area of Kogi State

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Abstract

Today's Local Government Administration in Nigeria is faced with varieties of problems. There are the problems of sourcing for adequate revenue from the federal and state governments. And there are also the problems associated with sourcing for funds via internally generated revenue. These mired problems are cogwheels to smooth running of local government administration in Nigeria. There are the problems of dishonesty on the part of revenue officers who often times, divert council's money for personal use; there is also the encroachment of other levels of government by diverting local government funds. There is therefore, an urgent need to review local government revenue generation. The objectives of the present study is to critically examine the impact of internally generated revenue on local government administration in Kogi State, and to establish a nexus between internally generated revenue, and level of development. To analyze the machinery internally generated revenue, as well as to review the various sources of internally generated revenue. Data were collected from Ijumu Local Government council of Kogi State for this study. The analysis is through descriptive and inferential statistical tools. The descriptive analysis involved the use of simple percentages, tabulation and counts, while inferential statistical method employed, chi-square analytical instrument. It is concluded and recommended that keeping of appropriate accounting records and books, supply of social and economic service, establishment of people oriented projects, staff motivation; training and retraining of revenue officers can set the local government system in the right direction to improving internally generated revenue.

1. Introduction

The term "Local Government Administration in Nigeria has attracted serious attention both nationally and internationally since the great reform of 1976. Incidentally, it was this reform in question that opened the rural area to any meaningful development in terms of in-put that could be garnered from the federation account.

The military administration of Murtala/Obasanjo (1976-1979) is usually regarded as a period of watershed in the annals of local government administration in Nigeria. This was the first time a concerted effort was made by the federal government to brighten the future of local government. Local Government was not only accorded its pride of place in socio-economic well-being of the country, it was also seen as a way of bringing government closer to the people. Consequently, a uniform system known as single tier structure was adopted throughout the country; this uniformity can be conceptualized in terms of:

The functions of local government; the structure of the local governments; the financial resources of the local governments; relationships with state government; and law enforcement processes and procedures

(Ola: 84, 87)

The Nigeria 1976 Local Government Reform and the subsequent one that follows are geared towards making local government bedrock for socio-economic and political development. Somehow, the 1999 constitution seems to have overridden the gains and aspirations of this tier of government with the exclusion of local government from the constitution. This phenomenon has become a critical issue since the beginning of the Nigeria Fourth Republic.

The authors of 1976 local government reforms also conceived that, for the reforms to have appreciable impact at the grassroots, the local government officers as well as political functionaries must be given free hand to operate effectively with little or no interference in their affairs.

The 1999 constitution of the Federal Republic of Nigeria largely recognized the existence of Local Government. The constitution states inter alia:

The system of local government of democratically elected government councils is under this constitution guaranteed, and accordingly, the government of every state shall, subject to the section 8 of this constitution, ensure their existence under a law which provides for the establishment, structure, composition, finance and functions of such councils. (Federal Republic of Nigeria Constitution, 1999),

The import of this federation is obligatory under the constitution. Apart from this, there must be periodic elections into the councils of these local governments as it is the case with the federal and states' political institutions. This becomes categorical imperative as local governments are seen as training grounds for higher level of political responsibilities in the federation. Revenue generation in Nigeria local governments is principally derived from TAX. Tax is however, a compulsory levy imposed by government on individuals and companies for various legitimate functions of the state (Olaoye, 2008). Local governments in Nigeria have developed over a number of years. Historically, the development of direct taxation in local government in Nigeria can be traced to the period before the British pre-colonial period. Under this period, community taxes were levied on communities (Rabiu, 2004). A major thesis advanced as the reason for the existence of local governments is to bring administration nearer to the people. Because it is at the local government level that local initiatives could be tapped for the administration of the people. The ordinary man on the street sees himself as part and parcel of the government at the local government level of governance.

The impact of internally generated revenue in local government in Nigeria is felt on the provision of clean water, construction of good roads provision of health centres and electricity for the rural communities. Paradoxically however, the abysmal way and manner by which local government authorities mismanage funds due to lack of skilled personnel makes a mockery of local government administration in Nigeria. Additionally, avoidance of tax by the private sectors and rich individuals raises a fundamental challenge to revenue generation and local government administration in Nigeria. This obvious challenge is what this study is set to investigate.

While Federal allocations are intercepted by state governments, there is also the insincerity of council staff on field assignments for the collection of these revenues. The inordinate ambition of staff coupled with epileptic training of the staff on revenue generation assignment poses a lot of challenge to revenue generation in Kogi State in general and by extension to Ijumu Local Government in particular. The present study is therefore focused on the investigation of these fundamental challenges and the probable leeway to improving local government revenue generation in Nigeria on a larger prospective.

2. Public Administration

Administration is the organization and direction of persons in order to accomplish a specified end. The simplest and shortest deformation of administration is the one which says that "when two men co-operate to roll a stone that neither could move alone, the rudiments of administration have appeared (H. Simon Smithbudge et al; 1950). Administration must exist in any organization set up for a defined purpose or objective. A thought of the Church, the army, the university, an industrial or business concern or a purely social organization, there has to be administration because, each one consists of human beings brought together in a hierarchical set-up making use of tools, equipment, human, and material resources, all in the quest to attain the objective for which the organization is established. Thus, the bishop in the church, the field marshal in the army, the vice-chancellor in the university, the managing director or chairman of an industrial or business enterprise, each has under him a hierarchy of subordinates, each with functions and responsibilities assigned for the accomplishment of the objective of the organization. This process, according to Augustus Adebayo (1984 requires planning, organization, command, co-ordination, and control. All these constitute administration.

The study of public administration grew out of the awareness that the machinery of government was inadequate and sometimes, totally unsuitable to perform the function of a modernizing government. Notable among the scholars and policy-makers who were quick to notice the deficiencies in government administration of their day, and to urge the need to improve the system, was Woodrow Wilson. As a professor of political science at Yale in the USA, he stressed the importance of studying the administrative institutions of government.

Woodrow emphasized that the task of public administration was to straighten the paths of government, to make its business less un-business like, to strengthen and purify its organization, and so crown its duties with dutifulness (Nwahuze, B.O; 1983). The demands for public consultation and participation in administrative decisions are governing all the time, due to increase in the number of pressure groups, interests, and agencies which demand attention and the right to be consulted. All these impose constraints on the administrator in his freedom or discretion and in the exercise of his judgment. Herein lies one of the main difficulties confronting a public administrator. On the one hand, he is urged to achieve positive and prompt results, and on the other hand, he is hedged round with organs of political control and demands by the public for more participation in decision makings. There appears to be every justification in the observation made by Abiola, A.G. et al that the tensions between the requirements of responsibility or accountability and those of effective executive action can reasonably be described as the classic dilemma of public administration (Abiola, A.G. et al: 1997). It is this dilemma that this present study is set to investigate.

3. Local Government Administration.

The local government in Nigeria was established for the purpose of rendering services and supplying amenities to the people in both rural and urban areas according to the document establishing the local government reforms in 1976. By extension, the same conditions apply to local governments in Kogi State on creation in 1991. Federal government cannot perform all the activities of the rural areas by themselves, but this can only be done by the people elected for that purpose. This does not stop the federal government from implementing their roles by providing all the social amenities, such as construction of roads, provision of pipe borne water, hospital, good education for youths, stadium, electricity and museum etc. All these social amenities are made available from the revenue generated from the people.

Moreover, a lot has been written and said on the finances of local government in Nigeria. Most of the contributors identified inadequate finance as a major problem hindering the efficient performance of the functions of local government in Nigeria (Adedayo, 2006). In fact, the so called independent sources of revenue are not really independent because they require government authorization before they can be collected. No local authorities can increase the rate of local tax (Community tax). Independently, there must be legal provisions for local fees and all these are approved by government before inclusion in the estimates whereas the following responsibilities are assigned to local government in Nigeria.

Economic planning and development, Health services, hand use, control and regulation of advertisements, pets, small business markets, public conveniences, social welfare sewage and refuse disposal, registration of births, deaths, marriages, primary, adult, vocational education, development of agriculture and national resources (Olaoye, 2005). Local administration in Nigeria, and by extension Kogi State, covers all the areas specified above. In seeking to achieve the execution of the above-mentioned social responsibilities, we talk about local government administration.

4. Local Government Revenue Allocation.

The distributions of revenue, or total income, through a business, corporate or government structure is referred to as revenue allocation. It often involves a complex process of determining how and where to channel revenues in order to best maintain the viability and operating structure of an organization. One major problem associated with revenue allocation is that it is not an exact science and can be a source of conflict. Money is a lot-button topic after all, and one rarely finds two people who can agree on how it should be distributed. There are, of course, many documented instances of people deliberately mishandling revenues. There are also many who talk of financial corruption contained in an element of irresponsible revenue allocation.

Revenue sharing and allocation between the federal and other tiers of government have become the most contentious issues in Nigeria's fiscal federalism. To this end, Pauline Baker notes that the revenue allocation issue is not a secondary matter but a primary issue that is fundamental to the political stability of the country as a whole (Baker; 1984). Fiscal matters according to Olutayo Adesina, transcend the purview of economics. In pluralistic societies, they assume political, religious and social dimensions (Adesina. 1998). Revenue allocation has been a major issue in the Nigerian political system even from the pre-independence era. Between 1946 and 1960, four fiscal review commissions were appointed to recommend a satisfactory revenue allocation formula for the country.

In 1946, the colonial government in the country set up the Phillipson Commission. The Commission according to Gini Mbanefoh and Festus Egwaikhide was charged with the task of formulating the administrative and financial system to be adopted under the Richards Constitution (Mbanefoh and Egwaikhide, 1998). The introduction of the Macpherson Constitution in 1951 brought about Hicks-Phillipson Commission on revenue allocation. Chick Commission was put in place in 1953 in anticipation of the Oliver Lyttleton Constitution of 1954. In 1958, the Raisman Commission was appointed in readiness for the nation's independence. It should be emphasized that the use of a revenue allocation formula for the sharing of Federation Account revenue among the tiers of government originated from the recommendations of the Raisman Revenue Allocation Commission of 1957 (CBN, 2000). Also, the Raisman Commission recommended the establishment of a Distributable Pool Account (DPA) into which certain percentage of federally collected revenue would be paid for sharing among the regional or state governments (ibid).

In post independence Nigeria, so many fiscal review commissions were set up by different governments at the centre to work out an acceptable revenue allocation formula for all tiers of government. The civilian coalition administration of Alhaji Tafawa Balewa and Dr. Nnamdi Azikiwe set up the Binns Commission in 1964 and charged it with the responsibility of resolving the problems associated with revenue allocation in the country.

The military government of General Yakubu Gowon in 1968 established an Interim Revenue Allocation Review Committee headed by Chief I.O Dina who was a permanent secretary in the former Western Region. The main term of reference of the committee was to find out sources of new revenue and suggest any change in the existing revenue allocation system.

Furthermore in 1977, the Ojetunji Aboyade Technical Committee on revenue allocation was inaugurated by the military regime of General Olusegun Obasanjo. The report of this committee was rejected by the Shagari administration that took over from Obasanjo on the ground that it was too technical and unworkable. In order to have a revenue formula to work with, the Shagari administration in 1979 put in place a Presidential Commission on Revenue Allocation headed by a renowned economist, Dr. Pius Okigbo. The commission was asked to look at the existing revenue allocation formula among the tiers of government with the aim of ensuring that all tiers of government have enough revenue to enable them discharge their functions as spelt out in the constitution (Mbanefoh and Egwaikhide (1998)). The military regimes of Generals Ibrahim Babangida and Sani Abacha at one time or the other adjusted the existing revenue allocation formula as a matter of routine without any consultation except in 1988/1989 when Babangida set up the Theophilus Danjuma Commission on revenue allocation. The civilian administration of Chief Olusegun Obasanjo attempted to put in place a revenue allocation formula for the country. However, section 162 sub-section (3) of the 1999 Constitution of the Federal Republic of Nigeria states that:

Any amount standing to the credit of the Federation Account shall be distributed among the federal and state governments and the local government councils in each state on such term,; and in such manner as may be prescribed by the National Assembly (FRN, 1999).

A noticeable feature in all the revenue allocation systems adopted and percentages allocated to each tier of government as indicated above shows that the federal government has been mostly favoured. In other words, the proportion of federally collected revenue assigned to the federal government is enormous. In view of this, a former civilian Vice President, Dr. Alex Ekwueme observes that:

The massive increase in revenue accruing to the Federal Government and the unilateral decreeing as to how it would be shared between it and the states eroded the financial autonomy of states and enabled the Federal Government to venture into areas exclusive to or shared concurrently with the -states.

The principal effect of overbearing lop-sidedness of the revenue sharing system in Nigeria is the continued strengthening of the position of the federal government against the continued weakening of the positions of the sub-federal levels.

It can be argued without fear of contradiction that one of the reasons for the high turnover in revenue allocation principles and formula is the relative share of each layer of government in the Federation Account. Each level of government, particularly the sub-federal governments, only agitates for reviews of the formula so that more money can be allocated to it. Commenting on the relative share of the federal government in federally collected revenue in the Federation Account, the Okigbo Commission on Revenue Allocation observed that:

All the memoranda as well as oral evidence received from the state pointed to the same direction, namely that under the revenue allocation scheme in force too much money was concentrated in the hands of the Federal Military Government. This put the states in financial difficulties from which they now seek an escape. Of the nineteen states with which we held discussions, only three conceded up to 50% of the Federation Account to the Federal government; a few of the other sixteen put the share of the federation as low as 28% but most of them recommended a proportion of between 40 and 45%(FRX. 1980).

The percentage recommended for the federal government by a majority of the state governments in the 1980s as shown above was far higher than what the states are recommending now. The other sub-federal tiers are currently championing the cause of a drastic reduction in the percentage of revenue accruing to the federal government. For example, all the thirty-six governors in Nigeria severally and jointly condemned the percentage allocated to the federal government and proposed 30% of the statutory allocation to that tier of government. The general opinion in the country is that the federal government controls a disproportionate amount of resources to the detriment of the sub-federal governments. The Supreme Court judgment on Onshore and Offshore Dichotomy has proved this right. There is flagrant violation of revenue allocation laws by the federal government to its advantage. Not all federally collected revenues are paid to the Federation Accounts for redistribution among the tiers of government. Large amounts of federally collected revenues are diverted into extra constitutional items like Dedication or Reserve accounts, Priority projects and federal external debt service obligations. The former Federal Minister of Finance under the administration of the late Sani Abacha, Chief Anthony Ani, revealed that out of federally collected revenue of 452 billion naira in 1997, only 208 billion naira was paid into the Federation Account. In 1998 according to him, 424 billion naira was collected, while only 189 billion naira was made available for sharing among the three tiers of government. The diversions of federally collected revenues encourage massive corruption and looting at the federal level. For example, the regime of General Sani Abacha was reported to have defrauded the country to the tune of \$1.5 billion.

In the real sense of it, both the state and local governments are still short-changed as they receive only about half of their constitutional entitlements from the Federation Account because of federal government's subterfuge. Adedotun Phillips, a respected economist, observes that:

This situation led to increase in Federal Government's share of public expenditures. If expanded substantially from 52% in 1983 to 74% in 1995, On the other hand, there was abysmal decline in state governments share from over 40% to fewer than 20% within the same period (Phillips. 1997).

To make the matter worse, all tiers of government, particularly the state and local governments depend on statutory allocations for their survival. Therefore, when there is a major drop in whatever accrues to them from the Federation Account, their development efforts are definitely adversely affected. Rather than supplement the internal revenues of the states, central statutory allocations to the states on the average account for over of their entire revenue. In fact, it is the primary source of the states' financial resources. This simply exposes the weakness of Nigeria's federalism in which the states and local tiers of government lack the necessary initiatives to mobilize resources internally, thereby failing in their responsibilities to the people. Olowoloni corroborates this by noting that:

There is... no doubt that revenue allocated statutorily to the state governments have not fostered any sense of financial responsibility' on the part of -state and local governments as they have increasingly become inefficient in the use of the meager fund they get; besides, the revenue allocation formula has not sufficiently given incentives to these governments, to exploit fully their other sources of revenue. In fact, they have found it more rewarding to concentrate their energies on attempting to obtain larger transfers from the federally collected revenue rather than attempting to generate more revenue internally ("Olowoloni, 1998).

Indeed, the revenues of the states show little growth potential while conversely, the expenditure shows a high growth potential. This is very unhealthy and suicidal for the survival of a federal polity. So many states are openly calling on the federal government for financial assistance, thereby making the constituent governments subservient to the central government. Kenneth Where pointed out, a long time ago, the effect of this on the states:

If states authorities find that the services, allotted them are too expensive to them to perform and if they call upon the federal authority for grants and subsidies to assist them, they are no longer coordinate with the Federal Government but subordinate to it. Financial subordination makes an end of federalism.

In fact, no matter how carefully the legal forms revenue be preserved. It follows therefore that both state and federal authorities in a federation must be given the power in the constitution each to have access to and to control it's out sufficient financial resources. Each must have a power to tax and to borrow for the financing of its own service by itself (Where. 1993).

One of the issues revolving around revenue allocation is the horizontal revenue method. This simply involves the appropriate methods and principles to be used in sharing central revenue in favor of the sub-federal governments. This has rendered the issue very contentious among the tiers of government. In terms of horizontal (inter-state and inter-local) distribution, the Nigerian revenue allocation formula is based on two major principles: first, equity principles including even development, national interest, continuity in government services, minimum responsibility of government, financial comparability, primary school enrolment and second, the social factor includes national minimum standard, landmass and terrain. The revenue sharing practices in this country emphasize equity over efficiency. This may not be unusual as it is the major practice in many developing countries around the world. All the revenue allocation commissions so far discussed in this study have adopted both the efficiency and equity principles but they have all been criticized for one reason or the other as summarized by the Aboyade Technical Committee which observed that:

Population has been characterized by illogically inconsistency and inequity, derivation had done much to poison intergovernmental relations and hamper a sense of national unity need had little, if any, operational relevance even development was analytically ambiguous ... (and was) no: technically feasible to measure in any meaningful way equality of status of states was a consolation prize to state not favored by the population and derivation principles, geographical peculiarities defied any concise definition (had had) little or no merit, national interest was capable of many interpretations and circumstances (FRN. 1979).

No revenue formula in Nigeria has been acceptable to all levels of government at any point in time. The contentious revenue sharing problem in Nigeria according to Pauline Baker is compounded by:

Lack of consensus on the criteria of distribution, the absence of reliable socio-economic data, the rapid rate of constitutional change and the extent to which revenue distribution is tied to perceptions of regional ethnic dominance (Baker. 1984),

Indeed, according to Adedotun Phillips:

The major problem of intergovernmental revenue sharing in Nigeria has always been the formula for sharing revenue among regions and states that is the horizontal revenue sharing scheme (Phillips. 1991).

Since independence, each region or state in the country has argued for those revenue sharing principles that support its particular interest. The states in the South-South region or Niger Delta region of the country are currently agitating for the derivation principle to be a major criterion in revenue allocation formula.

5. Local Government Revenue Generation

Tax is a compulsory levy imposed by government on individuals and companies for the various legitimate function of the state (Olaoye, 2008). Revenue generation in Nigeria local governments is principally derived from tax. Meanwhile Tax is a necessary ingredient for civilization. The history of man has shown that man has to pay tax in one form or the other that is either in cash or in kind, initially to his chieftain and later on a form of organized government (Ojo, 2003). No system or rules can be effective whether foreign or national unless it enjoys some measures of financial independence.

Local governments in Nigeria have developed over a number of years. Historically, the development of direct taxation in local government in Nigeria can be traced to the period before the British pre-colonial period. Under this period, community taxes were levied on communities (Rabiu, 2004) recently the revenue that accrues to local government is derived from two broad sources, viz: the external sources and the internal sources. There is no gain saying of the fact that internally generated revenue has a lot of benefits people enjoy at the local government level.

- Provision of clean water for the people in the local government area
- Construction of good roads for easy movement of transportation
- Provision of a well-equipped health centre in the community to reduce the death rate of the people
- Provision of free education in the community to reduce the level of illiteracy in the society.
- Stability of electricity in the community

Many of the problems facing the generation of revenue in the local governments are those that can be corrected to improve their collection. According to Herbert, a dependable tax base for the local authorities is essential. Shortage of trained valuation staff will make taxes on real property difficult to assess for sometime to come. The system of graduated tax has been in unjustifiable dispute in recent years. Olaoye (2008) also suggested the possibility of a Native Authorities' Loan Authority (NALA) as an agency to provide capital loans for the local government. However, some of the strategies for improvements are:

Good infrastructure: A location with good road net work will have every access to the coming and going out of the local government's cars and people. If they get to the local government and see good roads, pipe-borne water, hospitals, schools etc. they may decide to stay (Aderinto, 2005). This will increase the number of people and business that will be paying tax and this will definitely increase the revenue generation because more people will be paying tax. If the government can provide good infrastructure for the local government, there will be more business and people will see reasons to pay tax.

Staff motivation: According to Henry Fayol, there are fourteen principles of management of which motivation is among the list. Henry Fayol however defined motivation as a driving force which stimulates a worker in action. Workers should be encouraged so that they can put in their maximum services and when this is done, there may be increase or solid improvements in revenue collection. Training of workers for knowledge enhancement should be one of such motivational factors (Adebisi, 2005). It is fervently hoped that when the above suggestions are fully implemented, the local government will not only improve internally but also with the outside world.

Establishment of projects: The local government should embark on the establishment of some mini-sized industries, which will provide employment opportunities to the people. It is happy to note that Ijumu farm industry has helped to solve some of the employment problems within the community. There should also be development and improvement in agricultural ventures like crop farming etc. The participation in agriculture will encourage the inhabitants of this local government area to improve their standard of living.

Revenue management: There is a general trend going about most governmental establishment, there are mismanagement and embezzlement. The revenue so collected is mismanaged by the officer thereby not making the revenue to have any effect on the general populace of the local government. This can be reduced by the centralization of the collection department and rotation of jobs and assignments. If a worker is occupying a particular position for a long time he tends to have all the ways by which he can fraud the department.

Loyalty of tax payers: If people can change their attitude of tax evasion, more revenue will be generated. The number of people that pay up their dues (tax) as at when due are very small compared to the number of people that are suppose to pay. If the orientation can change, it will go a long way in increasing the amount of revenue that will be generated in the local government.

6. Challenge And Prospects Of Revenue Generation In Local Government

The local government in Nigeria was established for the purpose of rendering services and supplying amenities to the people in both rural and urban area according to the document establishing the local government reforms 1976. Federal government cannot perform all the activities of the rural areas by themselves, but this role can be complemented by the people elected in that local government area. This also cannot stop the federal government from implementing their roles by providing all the social amenities, such as construction of roads, provision of pipe borne water, hospitals, good education for the youth, stadium, electricity and museum etc. All these social amenities are made available from the revenue generated from the people.

Moreover, a lot has been written and said on the finances of local government in Nigeria. Most of the contributors identified inadequate finance as a major problem hindering the efficient performance of the functions of local government in Nigeria (Adedeji, 2006). In fact, the so called independent sources of revenue are not really independent because they require government authorization before they can be collected. No local authorities can increase the rate of local tax (community tax). Independently there must be legal provisions for local fees and all these are approved by government before inclusion in the estimates. Whereas, the following responsibilities are assigned to local government in Nigeria.

Economic Planning and Development, Health Services, Land use, Control and Regulation of Advertisements, Pets, Small Business Markets, Public Conveniences, Social Welfare Sewage and Refuse Disposal, Registration of Births, Deaths, Marriages, Primary, Adult, Vocational Education. Development of Agriculture and Natural Resources (Olaoye.2008).

There is shortage of well trained and qualified personnel which suppose to serve as tool for collection of taxes and rates at the local level, even the few available are not properly trained in efficient budgetary and financial management systems. Also most of local governments are short staffed to carry out their duties. Local government lack the capacity to attract and retain the right caliber of staff to Articulate plans and execute programmes and projects in order to transform the lives of the grassroots people in a short period. For instance, out of 750 respondent local governments in the UNDP - presidency survey, only 541 prepared rolling plans. In 1995, 1996 and 1997 of this number still, only 151 had planning boards (Composed largely of educators and community health officers). There were no professionals like the economic planners, medical doctors, engineers and so on. No doubt, the basic educational background of members of the planning boards across the local governments is very disturbing.

Despite fact that there are constitutional provisions for statutory allocations and internally generated revenues, Local governments are tightly controlled and subordinated by state governors through sundry mechanisms, including manipulation of the disbursement of financial transfers to them. Local governments in Nigeria mobilize their funds solely from external sources. The external sources include federal and state governments financial transfers like grants, statutory allocations, share of value added tax (VAT), receipts and loans. These external sources inn educe a dependence syndrome in local government revenue mobilization effort. Any setback from the external sources would have adverse effect on the administrative machinery and execution of some viable projects. This also has weakened their internal revenue mobilization capacity. Another constraint is imposed on local government revenue mobilization capacity through state control over local government budget, which is made to pass through many levels of approval in the hands of the state government. Even after approval, post-budget control still imposes further restrictions on what local governments can do (Roberts, 1998).

The delay problem in the passage of annual budget for local governments poses a great problem in the sense that budget sometimes take 3 months before approval. Invariably, this will cause delay in execution of local government functions including payment of the staff salaries and hinder infrastructural facilities to be put in place. In 1996, some newly elected Chairmen of Local Governments in Nigeria condemned in its entirety the horizontal sharing formula of the local governments the federation account which was equality (40 per cent) population mass/terrain (10 per cent) social development factor (10 per cent) generated revenue (10 percent). This formula will continue to yield many local governments especially when more local governments are created.

In addition, insincerity of council staff on field assignment poses greater problem because most of them usually divert collected council fund for their personal usage and deprive the councils of the much needed funds for its operations. Some local government Chairmen deposited local government's subventions into savings and while some local governments had no account. Some local government sees this as an avenue to divert council's funds for personal use.

The increase in revenue from local government statutory allocations definitely enhances their economic fortunes and service delivery ability. No doubt, the institution of statutory allocation as local revenue mobilization mechanisms, the increase of the allocation form 10-20 per cent from the federation account, the direct disbursement of federal revenues to local governments and the removal of some political bottlenecks and abolition of other administrative hindrances have boosted the revenue profile of local governments in Nigeria.

Local governments in Nigeria are no longer there to discharge administrative functions they are deeply involved in participation in governance, encourage physical and economic planning, create the conditions for employment within their localities and embark on services that will improve the well-being of their people.

The 1976 local governments in Nigeria is a short of a radical transformation engage of state governments to a very important and autonomous eminent. With this reform, local government became a legal entity and had defined functions as well as guaranteed sources of local governments. Larger percentage (%) of the revenue to the local government in order to enhance grass root development. Allocation should be changed from the present (15% in 2006 to about 52%) to allow for the development of the rural areas which would lead to urban centres.

7. Revenue Generation and Revenue Allocation in Ijumu Local Government Area.

All the Local Government Areas in Nigeria, including Ijumu Local Government Area receive statutory allocation from both the Federal and State governments. In addition to this, Ijumu Local governments Area, like other Local Government Areas of the Federation also generate internal revenues through taxes and fees.

It is opined that expenditure assignment should match with revenue generating powers in order for local governments to discharge their functions effectively. In essence, revenue and expenditure decentralization must support local government public revenue profile.

In Nigeria as a whole, local government revenue generation needs restructuring so that taxing power can be given to local authorities and also they should be allowed to share major tax bases with other levels of government to enable enough independent funds for development. Local governments should strive towards improving internally generated revenue and instill transparency and accountability in their management structure. This can be effectively carried out through community participation in their various activities. There is the need to carry people along in the execution of the projects. This will encourage administrative openness and accountability. Local governments which constitute the areas mostly endowed with natural resources should be allowed to woo foreign investors for the development of their abundant resources. This will improve the revenue generation base and capacity utilization that will create more job opportunities for the people.

For local governments to act successfully as agents of development at the grassroots, their share of total public sector expenditure should be substantially increased through increased allocation from the federation account.

The main purpose of local government generation in Ijumu Local Government Area is to improve the local environment by keeping the environment clean and healthy for people to dwell in. It is also to promote urban design. Local government of Ijumu exists to provide, develop local open space and relocation facilities as well as sitting strategic policy directions. The local government also generate revenue to enable her administer consents under local policies and plans as well as regulate local nuisances such as animal and pest control. A major problem associated with revenue generation in Ijumu Local Government Area stems from the fact that, both revenue allocation and generation are basically constitutional matters. The bye-laws of local government discussed green areas where each local government may focus and adopt the law to reflect the yearnings of the people of that area. The following areas are hereby examined in terms of the law and its application to Ijumu Local Government Area.

Tenement rate law shall apply to all occupants of various premises in all towns and villages that make up any local government areas as the council may by order direct from time to time. It is the responsibility of officers of the revenue treasury department to collect the rates prescribed and payable under this law. It shall be the duty and responsibility of the local government officers appointed for that purpose to enforce and ensure the observance of the provision and purpose of this law.

**Tenement rating
Payable per annum**

Local rate	N	K	
(a) Flat rate tax	(b) 50	(c) 00	(d)
(e) Electricity rate 100	(f) 00	(g)	(h)
(i) Water rate	(j) 100	(k) 00	(l)
(m) Town hall	(n)	(o) 50	(p) 00

The tenement rate charged by the rating authority shall be based on the rate-table value of the property and shall be paid by the occupier of owner for each rate period at the beginning of such rate period. The rating areas shall be classified into urban and rural as the local government council may determine from time to time (Nigeria Local Government Bye-Laws, 1991). In Ijumu Local Government area, this tenement rate is not in place. No town or village is called upon to pay tenement rate. It will appear that though, there is provision for the collection of tenement rate under the Local Government law, execution and the charging of tenement rate is conspicuously lacking in Ijumu local government area from this source of revenue generation.

Another seemingly important area of revenue generation provided for by the local government bye-law is the Abattoir and slaughtering of animals. According to this provision (local government Bye law, 1991), no person shall slaughter an animal meant for sale except in a public house and in accordance with the method specified either generally especially, in respect of the animal by a health officer. No person shall slaughter an animal for sale unless he first obtains a permit authorizing the slaughter of the animal from a person appointed by the council to issue slaughter permit.

The fee prescribed in the schedule hereto shall be payable in respect of tenement of slaughter house, license/permit issued for the opening of the meat shop and slaughtering of animal for sale, though each fee is subject to review from time to time to keep with the prevailing market value.

Schedule

Fees payable per annum	N	k
Abattoir tenement	2,500	00
Meat shop license permit	2,500	00
Butcher's Registration	2,000	00
Slaughtering fees per head daily		
Cow	500	00
Sheep/goat per head	100	00

Source: Local Government Bye-law (1991).

Whereas the law provided a way of generating revenue internally via the Abattoir and the slaughtering houses located in Ijumu Local Government Area, the amount generated from this source is quiet meager as Abattoir and slaughtering houses are not very many. Most villagers which is the 70% of the total population travel to the few available towns to buy meat. Indeed, meat shops are not common features of the council. To this effect, apart from the restriction placed on the charges, the value of meat consumed in these areas cannot generate dependable revenue that can facilitate development. Similarly, entertainment and blockage of road for ceremonies is another area from which internally generated revenue could be sourced.

Quoting elaborately from the local government bye-law, this law shall apply to all celebrant and/or organizers of social parties in all towns and villages that make up the local government areas. As the council may by order determined and publish from time to time upon the payment by celebrants/organizers of social parties of the fees prescribed, the collecting officer of the local government shall endorse as appropriate and issue to the paying organizer or celebrant an authentic receipt, as evidence of payment to be produced upon demand by the officials of the local government appointed for that purpose.

Rates payable	N	K
Chieftaincy Celebration		
Band (Amplifier)	1000	00
Funeral ceremony (life band)	600	00
Band (Amplifier)	300	00
Closure of major road fee	5000	00
Blockage of minor road fee	1000	00
Payment of extra 24hr of continuous road blockage	500	00

Two problems are majorly associated with the amount of revenue generated from this sub-head to Ijumu Local Government Council. Firstly, the level of insincerity of collecting officer is a major problem. The money collected from major entertainments are often diverted for private use, hence the amount normally recorded as generated revenue from here is nothing to write home about. In the next chapter, we have presented these figures by sub-heads. This presentation has allowed us to quantify the amount of money accruing to the council as internally generated revenue from this angle and thus, a practical way of testing our hypotheses no 1 in this study.

On the second note, Ijumu local government area has a vast land that allow people own big and large compounds in their houses. What this situation seems to suggest is that, blocking of roads for social gatherings is not a common occurrence within the local government. When of course, it sheldon happens, it is during Christmas and New year's festive periods. Thus, revenue generation under this sub-head is equally small. The data presented in chapter four speak volume about this assertion. It also helps in no small measure in fulfilling hypothesis no. 2-no effective internal control measure put in place to ensure effective utilization of revenue generation at Ijumu Local Government Area. There is also revenue generation via Liquor (license fee). The provision of the law shall apply to all towns, villages, and settlement in the local government area. The fees prescribed shall be payable in respect of the licenses set out under this law and may be reviewed from time to time by the council. It shall be the duty and responsibility of officers of the revenue of treasury department of the local government appointed for that purpose to collect taxes prescribed and payable under this law.

Liquor licensing fee

Description of License	N	K
Application forms	300	00
All hotel liquor license	20,000	00
General wholesale license 2,000	00	
Club license 1,000	00	

Hotels exist within the length and breadth of Ijumu local government area, but there are no strict rules put in place to enforce the amount of money paid to collect operational licenses. Where they pay at all, the payment is carried out under “the Nigeria settlement syndrome”. By this, any amount that the hotelier is capable of paying is normally rationed proportionally between the council and the collecting officer. As a result, the amount of money recorded as internally generated revenue is far below the actual. Another major area of internally generated revenue at Ijumu Local Government Council is in the area of market development and allied matters. The council may establish a market at any place within the local government as it considers necessary. No person shall sell or attempt to sell any goods or animal or carry on any business or craft or act as a broker in any market unless he has paid to the council the fees prescribed.

	Urban Markets (Category A)	Rural Markets (Category B)
Locked up stall	2,400.00	1,200.00
Open stall	1,000.00	600.00
Plank sheds	1,000.00	600.00
Stands per day	50.00	30.00
Allocation of plots for		
Temporary sheds	500.00	400.00

In many towns and villages of Ijumu Local Council, markets exist only under the trees. The only type of revenue collected under this scenario is from people who have brought items like yam, cassava to the market for sale. There is therefore the immediate need on the part of the local government functionaries to extensively sensitize and mobilize the people of the local government on the emerging trend of information n market development. The benchmark’s scenario is nil as there is very little to show as spirited efforts in some villages have not yielded the desired result in terms of market development and allied matters.

It is suggested that a multi-sector development strategy be adopted as a policy approach to enhance rapid change in the level of human, infrastructural and physical outlook of Ijumu Local Council. Therefore, the public sector (local government), small scale enterprises, intermediate enterprises, large-scale enterprises including multinationals and multilateral agencies should be mobilized to actively participate in economic activities.

The nature of participation should include looking at the structures and institutions of the local council and readjust the operational mechanism. Development and change requires the initiatives and actions of every sector of the economy. Therefore, Ijumu Local Government Area should deliberately partner with other agencies in other to improve on the volume of internally generated revenue. The administration of specific task concerning development could be made simple with expected impacts. In this sphere, leadership is the core object. Apart from ensuring the competence of the task officers, there should be demonstrative leadership by example. This way, internally generated revenue (IGR) in Ijumu Local Government will tremendously improve.

8. Data Presentation And Interpretations:

The secondary data is made up of internally generated revenue (IGR) figures from Ijumu Local Government Area of Kogi State between 1999-2007, and the Federal Government Statutory Allocation to Ijumu Local Government Area for the same period, 1999 – 2007. A presentation of secondary data such as this, will give direction and focus that will validate the conclusion of this study. In addition, the primary data are generated from respondents’ responses to the questionnaire administered and these are presented in this analysis.

Data Presentation

Table 1: Internally Generated Revenue of Ijumu Local Government Area of Kogi State (1999 - 2007).

Year	Igr	Total Funds Accruing	Percentage Of Igr
1999	1,659,436.2	48,873,445.24	3.4%
2000	3,205,248.45	123,417,170.65	2.7%
2001	2,652,043.02	116,047,712.49	2.3%
2002	4,062,519.02	169,887,032.27	2.4%
2003	1,978,268.25	184,576,908.75	1.1%
2004	3,789,214.70	234,306,783.17	1.6%
2005	4,739,425.09	337,341,369.48	1.4%
2006	3,667,795.41	475,389,277.80	0.8%
2007	4,297,176.28	441,209,486.47	1.0%

Source: Ijumu Local Government Treasury, Iyara, Kogi State (See appendix B)

Table 1 shows the Internally Generated Revenue from the year 1999 -2007 which was a data collected from the Treasury of Ijumu Local Government Secretariat, Iyara. A cursory look at the table shows an insignificant 0.8% contribution from internally generated revenue to the total revenue accruing to the Local Government in 2006. Of the eight years under review, it was only in 1999 that the highest percentage of 3.4% was contributed as internally generated revenue to the total funds available to Ijumu Local Government. A deeper study of the table however, reveals that revenue generation constitutes and insignificant percentage of the total available funds to Ijumu local government area. The implication of this breakdown indicates that reliance on the internally generated revenue for the developments of Ijumu local government will show case a zero level development. The internally generated revenue as shown above must be improved upon if meaningful development is to be achieved via revenue generation.

Table 2: The total Statutory Allocation from the Federation Account to Ijumu Local Government Area from 1999 – 2007

Year	Statutory Allocation	Total Funds Accruing To The Lga	Percentage Of Igr
1999	47,214,009.03	48,873,445.24	96.6%
2000	120,211,922.20	123,417,170.65	97.3%
2001	113,395,669.47	116,047,712.49	97.7%
2002	165,824,513.25	169,887,032.27	97.6%
2003	182,598,640.50	184,576,908.75	98.9%
2004	230,517,568.47	234,306,783.17	98.4%
2005	332,601,943.79	337,341,369.48	98.6%
2006	471,721,482.39	475,389,277.80	99.2%
2007	436,912,310.19	441,209,486.47	99.0%

Source: Ijumu Local Government Treasury, Iyara, Kogi State (See appendix B)

Table 2 above shows the dominance of the Federal Government Statutory Allocation over and above Internally Generated Revenue to Local Government Areas of Kogi State. In 1999, a total Federal Government Statutory Allocation in the finances of Ijumu Local Government Statutory Allocation of 47,214,009.03 representing 96.6% of the total funds was available to Ijumu Local Government as against a paltry 1,659,436.21 representing 3.4% of the total funds accruing from the internally generated revenue. The climax of this trend was in the year 2006 when a whopping 471,721,482.39 representing 99.2% of the total funds came from the Federal Government Statutory Allocation while a total of N3, 667, 795. 41 representing an insignificant 0.8% of the total funds available came from the internally generated revenue. The implication of this distribution shows the dominance of the Federal Government Allocation with over 90% for every year between 1999 - 2007. The level of development witnessed at Ijumu Local Government Area was therefore, more of the Federal Government Statutory Allocation than the Internally Generated Revenue.

Data Analysis and Interpretations

This section of the study highlights the responses from the questionnaire administered. A total of 130 copies of the questionnaire were administered, but only 120 were correctly filled and returned.

Demographic data of the samples**Table 3; Responses based on Sex**

Sex	Frequency	Percentage %
Male	84	70.0
Female	36	30.0
Total	120	100.0

Source: Responses from the Questionnaire

Table 3 shows that a total number of 84 respondents who participated in this study were males. This represents 70% of the respondents involved in the study. Similarly a total number of 36 respondents who participated in the study were females. This represents 30% of respondents involved in this study.

Table 4: Responses based on Age

Age	Frequency	Percentage %
NR	4	3.3
18-27	68	56.7
28-37	29	24.2
38-47	15	12.5
48-57	4	3.3
Total	120	100.0

Source: Responses from the administered questionnaire

The responses as indicated on table 4 shows 68 number of respondents belonging to the age bracket of between 18-27. This shows the highest percentage of 56.7%. The least on that table are respondents between the age brackets of 48 - 57 where there are only 4 respondents representing 3.3% of the sample population.

Table 5: Responses based on grade level

Grade level	Frequency	Percentage %
0-06	35	29.2
07-09	43	35.8
10-13	29	24.2
14-17	13	10.8
Total	120	100

Source: Responses from the administered questionnaire

Table 5 shows that the highest percentage of 35.8% respondents is staff of the council between grade levels 07 - 09. Additionally 24.2% staffs of the council are between grade levels 10 - 13. The summary of this two categories shows that 60% of respondents involved in this study are staff between grade levels 07 - 13. The staff under this age bracket (07 - 13) appears to constitute the segment of the economy that are still very active to respond to questions posed by the present researcher to assertion the impact of internally generated revenue on the development of Ijumu local government.

Table 6: Responses based on duration of service

Duration of service	Frequency	Percentage %
NR	26	21.7
Less than 10 years	57	47.5
10-15	26	21.7
16-20	9	7.5
21-30	2	1.6
TOTAL	120	100.0

Source: Responses from the administered questionnaire

The tabulation above shows the duration of service of respondents. Those who have served with less than 10 years are 57 representing 47.5%, while those between 10-15years are 26 representing 21.7%.

Others are between 16-29years which are 9 representing 7.5%, while the last category are people who have served between 21-30years who are just 2 in number representing 1.6% of researcher's sample population.

Table 7; Responses based on highest qualification

Highest qualification	Frequency	Percentage %
NR	4	3.3
SSCE	78	65.0
OND/NCE	27	22.5
HND/B.SC	3	2.5
PG	8	6.7
TOTAL	120	100.0

Source: Responses from the administered questionnaire

Table 7 shows the educational level of respondents with 78 respondents representing 65% of the sample population as having the Senior Secondary School Certificate (SSCE). Other levels of qualification of respondents range from OND/NCE 27 respondents representing 22.5% of the sample population while only 3 respondents representing 2.5% have the Higher National Diploma or the Bachelor Degree. The last in that category are respondents who have undergone Postgraduate Studies. This category is 8 in number representing 6.7% of the sample population.

9. Findings And Discussions

Issue I: Respondents perception of the Roles/Functions of Local Government Revenue Officers.

The researcher designed this very basic, but important question in order to assess whether or not respondents who are stakeholders and beneficiaries of any development at the local government level understand what specific roles are played by Revenue Officers to facilitate development that can impact positively on residents of the local government council. The researcher assumed that the issue of local government development is a function of internally generated revenue. A proper understanding of the role of revenue officer in generating revenue for the smooth running of the local council sets the tune for the conclusion of this study. In order to examine the above issue empirically, six research questions were designed and used as the index to measure respondents understanding of the Roles/Functions of Revenue Officers at the Local Government level. The scores of 120 respondents were computed and the percentage spread was identified (see table 8).

Table 8: Respondents' perception of the Roles/Functions of Revenue Officers

QUESTION N = 120		Percentage			
		(SA)	(A)	(D)	(SD)
i	The only duty of a Revenue Officers is to collect revenue for personal use	2	6	20	72
ii.	The main function of a Revenue Officer is to generate revenue for the council's use.	3.1	4.3	37.6	55
.ii.	Only professionals are employed to collect revenue at Ijumu local government area	12.1	68.6	13.4	5.9
iv.	It is the duty of Revenue Officers to report diversion of internally generated revenue to the State Ministry of Finance	2.6	2.4	16	79
v.	Revenue officers do not encounter any problem while on revenue generation assignment	8	7.4	66	18.6
vi	Revenue Officers can perform their duties without supervision	11.2	71	2.8	15

- SA: Strongly Agree
- A: Agree
- D: Disagree
- SD: Strongly Disagree

The researcher, using the percentage spread of the respondents on the six items in table 8, found that respondents have a good understanding of the functions of Revenue Officers. This development augurs well for the local government as it would have positive impact on the level of internally generated revenue. On the tricky question of whether or not the Revenue Officers' only duty/role is to generate revenue for personal use, a substantial number 72% strongly disagreed?

This suggests that respondents are sufficiently knowledgeable with respect to the other functions and roles that Revenue Offices can perform. Infact, these Officers have other assignment in the local government as they could be redeployed as Accounts/Audit staff or any other area of the local government as they can always be redeployed to undergo further training on the job.

However, the fact that another substantial number of respondents 68.6% did agree that only professionals are employed as Revenue Officers at Ijumu local government gives the researcher a lot of concern. This shows that there is a defective perception of the role of Revenue Officers among a substantial number of respondents involved in this study. The researcher interpreted this perception (68.6%) of the respondents to mean that all other activities of the Revenue Officers are seen in terms of facilitating internally generated revenue.

In order to strike a balance, and probably assess whether or not respondents understand the role and functions of Revenue Officers, the question of who reports diversion of funds to the ministry of finance was introduced. In this respect, a majority 79% of respondents strongly disagreed with the fact that Revenue Officers report funds diversion to the state ministry of finance. As chief tax collectors for the local government, Revenue Officers play crucial roles that can expose fund diversion but will not directly report same (diversion of funds). It is therefore good for local government to employ professionals who will guide against diversion of internally generated revenue. This is supposed to be a solid foundation for enthroning an effective internal control measure for effective utilization of revenue generated at Ijumu Local Government Council. Majority of respondents 66% involved in this study understand the crucial problems Revenue Officers encounter in the course of execution of their lawful duty of generating revenue to the local council. All activities leading to revenue generation are imbedded with different problems. It is only expedient therefore, for Revenue Officers on revenue generating assignments to liaise with relevant security operatives to enable them achieve success when performing their duties. This is with respect to liaising effectively with various arms of the security agencies that can assist them to implement the security components of their assignment thereby ensuring the overall success of such assignments. A substantial proportion (71%) of respondents involved in this study agreed that Revenue Officers can perform their duties without supervision. Over 71% percent of respondents indicated that Revenue Officers can execute their duties and functions without any supervision. This means that revenue officers can plan strategies, implement same to facilitate revenue generation without having to be policed by a superior officer from the state ministry of finance.

The evidence at my disposal suggests that in practical terms, a substantial proportion of respondents involved in this study have a good understanding of the duties of Revenue Officers and this will probably reflect on how they implement their various assignments in the herculean task of revenue generation.

Issue 2: The impact of internally generated revenue (IGR) on the administration of Ijumu local government Area

Effective performance of local government administration especially on development is hinge on many factors. Crucial among these is the compelling need for funds to be available to execute all development programmes at the Local Government level. It is expected that programmes such as training of ad-hoc personnel for revenue collections as well as the general maintenance of the local government office require adequate funding. To elicit detailed opinion of respondents who are stakeholders in the local government administration on how internally generated revenue (IGR) can impact on their well being, ten questions were asked from respondents. These questions focused on the crucial role internally generated revenue (IGR) play to enhance accelerated grassroots development. The scores of respondents were therefore computed and the percentage spread was identified.

Respondents were asked whether revenue generation enhances the administration of Ijumu local government area. An overwhelming majority (83%) strongly disagreed with this statement the response from respondents can probably be interpreted to mean that, while internally generated revenue (IGR) can add to the development of the local government, the funds often raised through the internally generated revenue (IGR) is largely insufficient to cater for the hurdles of development at the local government level. In addition, the economic realities on grounds in present day circumstances usually occasion a continuous inflationary cost in expenditures generally. So, while a certain amount might have been generated in the past that could impact on local government administration, a staggering increase in the amount needed to faster similar development project would be required under the present circumstance.

The impact of internally generated revenue (IGR) on the administration of Ijumu local government is further elaborated when 77% of the respondents agreed with the second statement that Revenue Officers seek alternative ways of generating additional funds for the running of Ijumu local government. This clearly indicates that a large portion of respondents is embattled with the problem of insufficient funds accruing to the local government via the internally generated revenue.

The issue of absolutely no need to generate additional funds to Ijumu local government because the federal government has released sufficient funds to the local government also highlights the need for adequate funding of projects that will foster development at Ijumu local government area. When put before respondents that there is no need to seek for alternative ways of sourcing for funds, a significant (86%) of respondents disagreed. The import of their response simply implies that a feeling of appreciation and development is derived from such an alternative ways of generating or sourcing for funds to develop the local government. It further suggests that such an alternative way as in Statutory Allocation can easily be monitored and checked against fraud since the figure allocated can always be measured with the level of physical development.

On the extent to which other levels of government, particularly the state government often encroach on the legitimate right of local government by withholding parts of the funds allocated to the local government from the federation account; there is an overwhelming response of 92% supporting the view that there is an undue encroachment by other levels of government on the legitimate allocation to the local government from the federation account. This implies further that even when alternative ways of sourcing for funds, like Statutory Allocation are made available to the local government, there is an overwhelming feeling of insecurity in terms of getting the actual figure so allocated to the local government. This in itself slows down the pace of physical development at the local government.

Table 9: Impact internally generated revenue on the development of Ijumu Local Government Area

QUESTION N = 120		Percentage			
		(SA)	(A)	(D)	(SD)
i	Revenue generation enhances the administration of Ijumu Local Government Area	5	6	6	83
ii.	Revenue Officers must seek alternative ways of generating additional funds for the running of Ijumu Local Government Area	10	77	6	7
iii.	There is absolutely no need to generate additional funds to Ijumu Local Government because the Federal Government has released sufficient funds to the local government	2	4	86	8
iv.	Other levels of government often encroach on the legitimate rights of Ijumu Local Government by withholding their funds	1.2	92	0.8	6
v.	There are cases of diversion of internally general funds by Revenue Officer for personal use.	21.3	77	0.9	0.8
vi.	There are incentives provided for Revenue Officers	2	2	10	86
vii.	Absence of incentives for Revenue Officers cause low return of revenue	26	62	9	5
viii.	There is no adequate supervision of revenue generation activities by the Officials of the local government	9.7	74.3	6	10
ix.	All internally generated revenue are often channeled for the purpose they were meant	2	11	63	24
x.	Revenue generated at the local government level always match with the level of development often witnessed	1	2	86	11

- SA: Strongly Agree
- A: Agree
- D: Disagree
- SD: Strongly Disagree

Many of the respondents involved in this study (77%) appear to have agreed with the fact that there are cases of diversion of internally generated revenue by Revenue Officers for personal use. The implication of the responses gathered under this sub-heading show to a large extent, the level to which corruption has eaten so deeply into the fabrics of our society. On a second note, it shows clearly that since effective supervision and monitoring services are not properly put in place to check mate the activities of Revenue Officers, the meager amount raised are usually diverted. This ten attests to the fact that Revenue Officers cannot work without effective supervision.

The impact of incentive to Revenue Officers is further elaborated when 86% of respondents strongly disagreed with the statement that there are incentives provided by the Local Government for Revenue Officers. This clearly indicates that a large proportion of respondents are embattled with the problem of insufficient incentives for revenue officers that can enhance their duty of revenue generation for the local government.

The issue relating to absence of incentives for Revenue Officers largely accounting for low return of revenue to local government highlights the need for adequate incentives for Revenue Officers brings about low return of internally generated revenue to the council, a significant number (62%) agreed. This response simply implies that a feeling of appreciation and reward is derived from such an incentive in return for sacrifice, dedication, selfless service and commitment displayed during revenue generating activities. It also suggests that such an incentives, when given, can prevent cases of diversion of internally generated revenue and other unorthodox practices.

Over 74.3% respondents indicated that there is no adequate supervision of revenue generation activities by officials of Ijumu Local Government Area. This implies that the diversion of internally generated revenue by Revenue Officers for personal use was made possible for lack of this adequate supervision. Should revenue generation continue unsupervised, the dream of the local government to realize a substantial amount of money through revenue general will linger on unfulfilled for ages. Adequate supervision should then be put in place to checkmate the Revenue Officers from diverting revenue generated for personal use. It is important to note that respondents involved in this study are stakeholders in the development of Ijumu local government council. Thus, on the question posed to suggest that all internally generated revenue are often channeled for the purpose they were meant; a significant portion of 63% disagreed. The implication of this disagreement learns credence to the issue of diversion of funds by Revenue Officers as earlier on raised. This helps to further consolidate our position of insisting on a constant checking, monitoring and effective supervision of all revenue generating activities of the local government to forestall this noticeable and incessant diversion of internally generated revenue for personal use by Revenue Officers.

The specific question which seeks to know whether the volume of revenue generated tally with the level of physical development, majority of the respondents (86%) disagreed with this view. This creates the impression that the level of development witnessed at Ijumu local government council was made possible from the proceeds of other sources of revenue to the local government other than through internally generated revenue. It will not be out of place to suggest that the level of development witnessed at Ijumu local government is a product of Statutory Allocation from the federation account rather than looking at the level of development of Ijumu local council from the perspectives of internally generated revenue.

Generally, the finding in these sections strongly suggests that Ijumu local government council has been poorly funded via internally generated revenue. The findings of this study indicates an urgent need for a general reappraisal of the sources of revenue available to the council, a re-orientation of Revenue Officers and the needed imperatives to employ professionals with higher skills that can improve on internally generated revenue to Ijumu local government.

Issue 3: Can respondents identify any training programme(s) that will assist Revenue Officers to perform their Roles/Functions more effectively?

Training and manpower development are key elements in improving productivity in any organization. Available training programmes range from short-term courses targeted at improving skills, importing skills in brand new areas of professionalism, to long term courses aimed at acquisition of new certificate or degrees.

Local government administration forms one of the major programmes run at most Nigerian Universities and other Tertiary Institutions. However, computer acquisition courses are not too common in these institutions to deepen Revenue Officers knowledge and to address the challenges of modern revenue generation and revenue management. In this research study, respondents were requested to prioritize the training needs of Revenue Officers to meet with modern challenges. The options ranged from the Ordinary National Diploma in Local Government Administration studies which had been undertaken by a number of Revenue Officers to new courses such as Computer Acquisition and Private Training Courses to acquire basic skills on revenue generation. Table 10 below reveals the preference of the respondents.

Table 10: Rating of Training Programme (N =?)

Stakeholder N = 120		Percentage			
		(VI)	(I)	(II)	(NC)
i	OND, Local Government Administration	81	9	4	6
ii.	HND, Local Government Administration	10	15	40	35
iii.	B.Sc, Local Government Administration	3	3	2	92
iv.	PG, Local Government Administration	1	1	10	88
v.	Computer Acquisition Course	74	8	2	16
vi.	Private Training	12	62	10	16

- VI: Very Important
- I: Important
- NI: Not important
- NC: No Comment

As table 10 shows, apart from the Ordinary Diploma in Local Government Administration which was widely accepted and had been undertaken by the bulk of the Revenue Officers, Computer Appreciation ranked the first in the training need of Revenue Officers with 74% considering it as very important. Closely related is the desire of respondents for Revenue Officers to continue in private training as 62% of the respondents considered it important. The ranking of those two courses is quite apt given the conscious drive by the government, to increase revenue generation bases of all tiers of government in which information and computer technology is a major element.

Exposure to computer literacy in revenue generation, and in the accounting system of the local government is a veritable tool for promoting and impacting best practices and new ideal in revenue generation management. It is possible that Revenue Officers needed an international exposure through Private Training even if it is only to confirm that the Nigerian revenue generation system is due for overhauling.

10. Hypothesis Testing:

It was hypothesized that there is an effective control measure put in place to ensure effective utilization of revenue generated at Ijumu local government area. Two alternative conclusions are involved in testing a hypothesis which is denoted by HI. The acceptance of null hypothesis HO implies the rejection of HI as both hypothesis are complementary.

In testing this hypothesis, one hundred and twenty (120) copies of questionnaire were distributed to respondents as the sampled population. Their responses were scored, computed and used to determine the level at which an effective internal control measure is put in place to ensure effective utilization of revenue generated at Ijumu local government area of Kogi State. The chi-square statistics was used to test the relationship. The subsequent results are presented in table II below.

HI: There is an effective internal control measure put in place to ensure effective utilization of revenue generated at Ijumu local government.

HO: There is no effective internal control measure put in place to ensure effective utilization of revenue generated at Ijumu local government area.

Table II: there is an effective internal control measure put in place to ensure effective utilization of revenue generated at Ijumu Local Government Area.

Variable	Junior Staff	Senior staff	Magt. Staff	Total
Agree	20	40	8	68
Disagree	15	32	5	52
Total	35	72	13	120

Expected table

$$\text{Expected (E)} = \frac{RT \times CT}{GT}$$

Column 1:

$$\frac{68 \times 35}{120} = 19.8$$

Column 2:

$$\frac{68 \times 72}{120} = 15.2$$

$$\frac{52 \times 72}{120} = 31.2$$

Column 3:

$$\frac{68 \times 13}{120} = 7.4$$

$$\frac{52 \times 13}{120} = 5.6$$

Variable	Junior Staff	Senior staff	Magt. Staff	Total
Agree	19.8	40.8	7.4	68
Disagree	15.2	31.2	5.6	52
Total	35	72	13	120

Table 13: Chi-square table

O	E	(O-E)	(O-E) ²	$\frac{(O-E)^2}{E}$
20	19.8	0.2	0.04	0.002
15	15.2	-0.2	0.04	0.003
40	40.8	-0.8	0.64	0.016
32	31.2	0.8	0.64	0.021
8	7.4	0.6	0.36	0.049
5	5.6	-0.6	0.36	0.064

$$\sum \frac{(O-E)^2}{E} = 0.155$$

0.05% level of significance.

Degree of freedom

$$(C - 1) (R - 1)$$

$$(3 - 1) (2 - 1)$$

$$(2) (1) = 2$$

∴ 2 degree of freedom, the critical value at 0.05% level of significance is 5.99.

Reject H₁: There is an effective internal control measure put in place to ensure effective utilization of revenue generated at Ijumu local government.

Accept H₀: There is no effective internal control measure put in place to ensure effective utilization of revenue generated at Ijumu local government area.

Decision Rule:

Reject the null hypothesis (H₁) and accept the alternative hypothesis (H₀) at 2 degree of freedom. It shows that result is significant at the critical value of 0.05% level of significance, 0.155 from the chi-square table the value of 5.99 insignificance.

∴ 0.155 < 5.99. The researcher therefore accepts the alternative hypothesis (H₀) which states that there is no effective internal control measure put in place to ensure effective utilization of revenue generated at Ijumu Local Government Area.

11. Conclusion

This present study has critically examined local government's tax mobilization and utilization in Nigeria. Local Governments in Nigeria receive statutory allocation from both the Federal and State governments. They also generate internal revenues through taxes and fees etc. It is opined that expenditure assignments should match with revenue generating powers in order for local governments to discharge their functions effectively. In essence, revenue and expenditure decentralization must support local government public revenue profile. Local government revenue generation in Nigeria needs restructuring so that taxing powers be given to Local authorities and also it should be allowed to share major tax bases with other levels of government to enable enough independent funds for development. It is noted that federal government is highly favored in all the revenue allocation systems so far and fiscal federalism is tilted more in favor of the federal government. This, in a way, is affecting the economic survival of the sub-national governments.

Local governments therefore, shall strive towards improving internally generated revenue and instill transparency and accountability in their management structure. This can be effectively carried out through community participation in their various activities. The need to carry people along in the execution of the projects will encourage administrative openness and accountability. Local governments which constitute the areas mostly endowed with natural resources should be allowed to woo foreign investors for the much desired development at the local level. Local government is the most popular among the three tier structure in the Federal Republic of Nigeria. Any restructuring of this tier of government must as a necessity be done in concert with the generality of the people. The present claim of proliferations of local government is highly untenable. Indeed, every autonomous community in Nigeria should constitute a level of governance. This, this researcher believes, will facilitate rapid development of Nigeria and bring about dividends of democracy nearer to the people.

12. Recommendations

After an extensive review of the researcher's findings, the following recommendations were made for consideration and possible implementation. 1. The local government should embark on the establishment of some mini-sized industries that will provide employment opportunities to the people. There is an urgent need for development and improvement in agricultural ventures like crop farming in cocoa, coffee, cashew etc. The participation in agriculture will encourage the inhabitants of local governments to improve their standard of living on one hand, and to improve the revenue base of local governments on the other hand.

There should be adequate supply of social and economic services. Efforts of local governments should not only be directed towards the revenue yielding activities alone, but also to the provision of social services like good roads, basic health facilities, environmental sanitation, town halls, street light, water supply etc. These facilities should be of high quality. By these provisions, people's interest will be geared towards giving their maximum support to the governments at any time such cooperation is required. Once some of their interests are taken care of, the people will feel committed to paying to the local government all revenue due from them and this will consequently improve the revenue strength of the local government in question.

There should be a great deal of staff motivation as incentives to revenue collectors which will wade off diversion of internally generated revenue. Workers should be encouraged so that they can put in their maximum services. When this is done, there will be a solid improvement in revenue collection. Training of workers for knowledge enhancement, especially revenue officers should be paramount and a major motivational factor for them.

To meet with the specific challenge of effectively monitoring revenue generating activities at the local government level, Revenue Officers should undertake other forms of skills acquisition programmes such as internal training, field experiences. Training and re-training of revenue officers should be a continuous exercise. There is an urgent need for local government managers to embark on massive education, enlightenment and mobilization of revenue workers, inculcating in them, the knowledge of good accounting records, and the principle of upholding transparency in any accounting system. Without these actions, little can be done in the bid to making revenue officers play the game accounting to the rules. The ancient words of Aristotle cited by O.B.C Nwolise are instructive:

For man, when perfected, is the best of animals, but when separated from law and justice, he is the worst of all; since armed injustice is the more dangerous, and he equipped at birth with arms, meant to be used by intelligence and excellence, which he may use for the worst ends. That is why, if he has not excellence, he is most unholy and the most savage of animals, and the most full of list and gluttony. But justice is the bond of man in states, for administration of justice, which is the determination of what is just, is the principle of order in political society.

(Nwolise, O.B.C., 2008)

There is an urgent need to revisit the crucial issue of the nature of political arrangement that legally impose serious restrictions on local government revenue mobilization capacity through state control over local government budget. Local government's budget is made to pass through many levels of approval in the hands of the state government. Even after approval, post-budget control still imposes further restrictions on what local governments can do. This financial encroachment from other levels of government should be redressed and financial autonomy granted to the local government. Thus, direct disbursement of federal revenues to local government and the removal of some political bottlenecks and abolition of other administrative hindrances will boost the revenue profile of local governments in Nigeria.

A major finding of this study reveals the insincerity of council staff on field assignment with regards to diversion of collected council's funds for personal use. This situation deprives the councils of the much needed funds for operations. Added to this is the fact that some local government chairmen deposited local government subventions into private fixed accounts to make personal gains. Some of these funds are forgotten into such accounts thereby making it easy for some chairmen to divert local government funds for personal use. This situation calls for a comprehensive review of all internal control measures put in place to check financial recklessness of these officials by higher authorities without necessarily usurping the powers of local government to direct their own affairs.

Following closely to this is the need for electorate to be more steadfast in performing their civic responsibilities. People of high integrity who had hitherto been tested should be elected into political offices at the local government level. For sometimes now, perceived corruption at the local government level has attracted the attention of analysts. It is hereby recommended that people with transparent honesty should be elected at the grassroots level to manage the local government affairs. The internal audit at the local government level should be strengthened to enhance the performances of these local government councils. Where the internal audit system is weak, the political class will easily manipulate the system to favor corrupt practices. But a formidable audit system with professionals who are subject to internal training and exposed to international training can bring sanity into the financial management of the councils.

More funds should be provided to local governments to enable them service the logistics needs of revenue officers and consequently, enhance their performance. All materials needed in an office including electricity supply, water, office furniture and IT facilities should be provided at the local government level. Lastly, though respondents' understanding of the roles of Revenue Officers is quite high, it is advisable that only competent, matured and experienced officers of the local government should be drafted for revenue generation. These attributes are probably necessary for the administration and management of revenues at the local government level in Nigeria.

Nigerians must insist on the radical transformation of our local government into a world class, built on the principle of order established by law. This is where president Goodluck Ebele Jonathan's current crusade of transformation agenda for the enthronement of the rule of law and due process holds ray of great hope for peace, justice, transparency and local government development. The Nigerian society can only learn from the lessons of past local government administration to make relevant improvements in the system as suggested in this study.

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