

**REVENUE MANAGEMENT AND SERVICE DELIVERY IN  
ZARIA LOCAL GOVERNMENT AREA, KADUNA STATE**

**2007-2011**

**BY**

**ABDULKADIR BABA ABUBAKAR**

**DEPARTMENT OF POLITICAL SCIENCE AND  
INTERNATIONAL STUDIES,  
FACULTY OF SOCIAL SCIENCE,  
AHMADU BELLO UNIVERSITY,  
ZARIA, NIGERIA**

**MAY, 2017**

**REVENUE MANAGEMENT AND SERVICE DELIVERY IN ZARIA  
LOCAL GOVERNMENT AREA, KADUNA STATE  
2007-2011**

**BY**

**Abdulkadir Baba ABUBAKAR**

**B.Sc. POLITICAL SCIENCE (UNI-ABUJA) 2005, MPA (A.B.U) 2008  
MSc/Scoc-Scie/3988/2009-2010  
P16SSPS8381**

**A THESIS SUBMITTED TO THE SCHOOL POSTGRADUATE  
STUDIES, AHMADU BELLO UNIVERSITY, IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF  
MASTERS DEGREE IN POLITICAL SCIENCE.**

**DEPARTMENT OF POLITICAL SCIENCE AND INTERNATIONAL  
STUDIES,  
FACULTY OF SOCIAL SCIENCE,  
AHMADU BELLO UNIVERSITY,  
ZARIA, NIGERIA**

**MAY, 2017**

## DECLARATION

I declare that this Dissertation entitled **Revenue Management and and Service Delivery in Zaria Local Government Area, Kaduna State, 2007-2011** has been performed by me in the Department of Political Science and International Studies. The information derived from the literature has been duly acknowledged in the text and list of references provided. No part of this Dissertation was previously presented for another degree or diploma at this or any other Institution.

---

Abdulkadir Baba Abubakar

Signature

---

Date

## CERTIFICATION

This Dissertation, entitled “ Revenue Management and Service Delivery in Zaria Local Government Area, Kaduna State, 2007-2011”, by Abdulkadir, Baba Abubakar, meets the regulations governing the award of Masters of Science (M.Sc) Degree in Political Science of the Ahmadu Bello University, Zaria and is approved for its’ contribution to acknowledge and literary presentation.

Mallam Garba Aminu  
Chairman, Supervisory Committee

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Dr. Aliyu Yahaya  
Member, Supervisory Committee

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Dr. Aliyu Yahaya  
Head of Department

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Professor S.Z. Ibrahim  
Dean, School of Post Graduate Studies

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

## **DEDICATION**

This work is wholeheartedly dedicated to Almighty Allah (S.W.T), who is the most beneficent and most merciful, by whose Grace and Benevolence I have come this far academically and to my beloved wife and children Ameera, Ameer, Ammar and Maryam.

## ACKNOWLEDGEMENT

It would be impossible for me to appropriately acknowledge the role, efforts and contributions of everyone who has contributed to the success of this work. But my most profound appreciation goes to Allah, who provided the resources, opportunity, protection, knowledge and guidance throughout the period of this academic exercise and this research work in particular.

With all sense of humility, I must express my profound gratitude to my motivational supervisors, Internal Examiners and External Examiner Mal. Garba Aminu, Dr. Aliyu Yahaya, Dr. M.M. Nuruddeen, Prof. Bashir Jumare and Prof. Usman Tar who assisted me in the course of this research and for patiently examining this work despite their numerous other responsibilities. I am grateful to all the lecturers in the Department of Political Science, Ahmadu Bello University, Zaria, particularly, late Prof. Sabo Bako, Late Dr. Sunday Suleiman, Prof. Yusuf yakubu, Dr. Isa Mohammed Abbass, Dr. Agubammah Edgar, Mal. Murtala Ishaq and all the other distinguished academics whose elaborate teachings and intellectual disseminations groomed me to be able to handle the critical aspects of this research and contributed towards the content of my learning and character.

I must recognize with gratitude the enormous financial and moral support of my father, Alhaji. Baba Abubakar, all through my educational pursuit. I acknowledge the commitment and prayers of my dear mother Haj. Halima Baba Abubakar to whom the credit of molding the attitude that has taken me this attitude. I equally wish acknowledge the invaluable prayers of my dear wife Maryam Tanimu, siblings and relations, especially late Alh. Suleiman Madaki (Dan Rimin Zazzau). I hugely indebted to the following persons for their untiring commitment and unending motivation for the completion of this research, they are; Prof Kabir Bala, Hajiya Aisha Baballe, Ahmed, Rakiya, Awwal, Faruk, Usman, Aliyu, sadiq kabir Saidu among several others like my class mates and staff of Zaria Local Government Area.

## **ABSTRACT**

*This study centers on revenue management and service delivery. The study determined the general level of revenue management in Zaria local government by examining the two major sources (internal and external) of revenue available to local government. It also examined the relationship between revenue generation and service delivery. Local government funding in Nigeria has remained an important aspect of fiscal federalism and intergovernmental relations with a host of challenges which include overdependence on statutory allocations from the federation account, corruption, mismanagement and misappropriation. Theory of Structural functionalism was employed as a guide to the study. The survey research method was employed as the suitable approach for carrying out the research. Data was collected from primary and secondary sources. Descriptive statistical method was used to present data obtained from questionnaire and backed with qualitative analysis. The study revealed that Zaria Local Government has not optimally managed the revenues that accrued to it within the period covered on service delivery to its populace. The study recommends the need for diversification of internal revenue sources as well as more prudent management of the revenues on service delivery by Zaria Local Government Area.*

## TABLE OF CONTENTS

Content	Page
Title page - - - - -	i
Declaration - - - - -	ii
Certification - - - - -	iii
Dedication - - - - -	iv
Acknowledgement - - - - -	v
Abstract - - - - -	vii
Table of contents - - - - -	viii
List of tables - - - - -	ix
List of figures - - - - -	x

## CHAPTER ONE: GENERAL INTRODUCTION

1.1	Background to the Study - - - - -	1
1.2	Statement of Research Problem - - - - -	2
1.3	Research Questions - - - - -	2
1.4	Aim and Objectives of the Study - - - - -	2
1.5	Research Assumptions - - - - -	3
1.6	Scope and Limitation of the Study - - - - -	4
1.7	Significance of the Study- - - - -	4
1.8	Methodology of the Study - - - - -	4
1.9	Definition of Terms - - - - -	9
1.10	Organization of Chapters - - - - -	11

## CHAPTER TWO: LITERATURE REVIEW AND THEORITICAL FRAMEWORK

2.1	Introduction - - - - -	12
2.2	Literature Review - - - - -	12

2.3	Role and Performance of Local Government in Nigeria	-	-	-	22
2.4	Local Government Revenue/Finance	-	-	-	27
2.5	Local Government Finance before the 1976 Reform	-	-	-	30
2.6	Local Government Finance since the 1976 Reform	-	-	-	34
2.7	Public Assessment of Revenue Management	-	-	-	46
2.8	Gaps in the Literature	-	-	-	51
2.9	Theoretical Framework	-	-	-	52
2.10	Relevance and Limitations of the Theory	-	-	-	54

**CHAPTER THREE: FINANACIAL MANAGEMENT AND SERVICE DELIVERY  
OF ZARIA LOCAL GOVERNMENT AREA**

3.1	Introduction	-	-	-	55
3.2	Historical Background of Zaria Local Government	-	-	-	55
3.3	Financial Mangement of Local Government in Nigeria	-	-	-	56
3.4	Tools for Financial Management in Nigeria	-	-	-	57
3.5	Service Delivery of Local Government in Nigeria	-	-	-	-59

**CHAPTER FOUR: ASSESSMENT OF REVENUE MANAGEMENT IN ZARIA LGA.  
DATA PRESENTATIONS AND ANALYSIS**

4.1	Introduction	-	-	-	64
4.2	Revenue Mobilization	-	-	-	64
4.3	Utilization of revenues/expenditures; Contracts Awarded by Zaria LGA	-	-	-	66
4.4	Public Assessment of Revenue Management	-	-	-	-
4.6	Research Findings	-	-	-	83

**CHAPTER FIVE**

5.1	Summary	-	-	-	84
5.2	Conclusion / Recommendations	-	-	-	84

## LIST OF TABLES

1.1 Population of Zaria Local Government Area by wards	6
3.1 Statutory Allocation from Federation Acct to Local Governments in Nigeria.2007-11	44
4.1 Zaria Local Government Revenue Table January 2007- December 2011	50
4.2 Summary of planned (Executed and None Executed) projects by Zaria Local Government from 2007-2011	56
4.3 Distribution of Respondents by Gender	57
4.4 Distribution of Respondents by Age	58
4.5 Distribution of Respondents by Marital Status	58
4.6 Distribution of Respondents by Qualification	59
4.7 Distribution of Respondents by Occupation	60
4.8 Approximate Monthly Income	60
4.9 Tax Payment	61
4.10 Why they pay Tax/Levy	61
4.11 Distribution of respondents by their knowledge of the Sources of Revenue to Zaria	62
4.12 Views on Zaria Local Government Taxes/Levies	63
4.13 Do you Support or otherwise the Local Government Internal Revenue drives	63
4.14 Views on whether Zaria Local Government is judiciously using available revenue	64
4.15 Base on your awareness of the projects executed by the Local Government	65
4.16 On sufficiently or otherwise to the Local Government for the Execution of Developments Projects.	65
4.17 Distribution of Respondents Assessment of the effective revenue management capacities of Zaria Local Government.	66
4.18 Distribution of respondents on whether Zaria Local Government has the prospects of improving on existing revenue base.	67

4.19 Distribution of respondents based on problems militating against effective revenue management. ----- 67

## LIST OF FIGURES

Figure 2.1 Ronald Wraith's Diagram on Decentralization	14
Figure3.2 Organizational Chart of Zaria Local Government	63

## **CHAPTER ONE**

### **GENERAL INTRODUCTION**

#### **1.1 Background to the Study**

The local government institution as the third tier of government in Nigeria is concerned with political and administrative devolution for effective grassroots mobilization and development. The establishment of local governments anywhere in the world is popularly aimed at “bringing government closer to the people (Ganduje, 2008).The important thing about bringing government closer to the people is not just the transfer of resources and means from the centre to the periphery but the way these resources are handled or managed. Management of resources and citizenship participation is very crucial to decentralization and development at the local government level (Ola, 1984).

Financial management is concerned with efficient procurement of funds and their effective utilization in business or government. It is an application of general managerial principles in the area of financial decision making. According to (Abubakar1986).

Financial management consists of decision making on the determination of funds requirement of the organization i.e revenue generation and mobilization and seeking and obtaining the right amount of funds at the right time i.e cash flow management, it also concerned with the deployment of available funds to the need of the organization i.e revenue allocation and control, as well as giving proper stewardship the funds obtain and utilized. Financial management in local government is guided by Financial Memoranda (FM) for the better control and management of the financial business of the local government; this is confirmed by (Abubakar 1986). The utilization and management of local government revenue is important for enhanced performance of local councils as an agent of development. Unfortunately, however, the

internal and external sources of local government revenue in Nigeria seem to be inadequate, which coupled with poor management, have continually created a wide gap between the availability of revenue for local governments and grassroots development in Nigeria (Udoh, 2001). For example recent academic studies and a wave of emerging economic crises, have shown that local governments in Nigeria are under fiscal pressure, specifically due to declining tax base, unplanned deficits emanating from political pressures and mismanagement. However, whatever is the source of the pressures to local governments in Nigeria, the most important thing is for local government to augment the available resources or revenue. This implies that revenue utilization and management at the local government level are very crucial issues in local government administration in Nigeria. i.e Zaria local government has not been able to perform up to its expectation on revenue management and service delivery to its populace.

## **1.2 Statement of the Research Problem**

The study assesses the extent to which the Zaria Local Government had judiciously or effectively managed the revenues that accrued to it from 2007 – 2011 for development or service delivery to its populace or inhabitant which is one of the core objectives of Local Government as a grassroots tier of Government in Nigeria.

## **1.3 Research Questions**

The major questions addressed include:

- i. What quantum of revenues accrued to Zaria Local Government within the period under study?
- ii. How has Zaria Local Government managed or utilized the revenues that accrued to it?

- iii. What is the relationship between expenditure and priority developmental needs of the people of Zaria?
- iv. What are the major problems or challenges facing Zaria Local Government with regard to revenue management?

#### **1.4 Objectives of the Study**

The aim of this study is to examine the revenue management in Zaria Local Government Area. The specific objectives are as follows:

- i. To assess the quantum of revenue that has accrued to Zaria Local Government within the period under study.
- ii. To examine the extent to which Zaria Local Government manage or utilize its revenues accrued to it.
- iii. To analyze the relationships between expenditures and priority developmental needs of the people of Zaria Local Government.
- iv. To identify the major problems or challenges facing Zaria Local Government with regard to revenue management.

#### **1.5 Research Assumptions**

The study is guided by the following assumptions.

- i. As a result of imprudent management of funds the annual quantum of revenue accrued to Zaria Local Government is inadequate for service delivery.
- ii. A significant proportion of revenue that accrued to Zaria Local Government was expended on administrative overheads rather than service delivery to the people.
- iii. Effective management of Local Zaria Government revenue does not affect the performance of the Local Government in service delivery.

- iv. State – Local Government joint account system was the main constraint to effective revenue management by Local Government.

### **1.6 Scope and Limitations of the Study.**

The study focuses on revenue management and service delivery in Zaria Local Government, Kaduna State from 2007-2011. It is impossible to conduct the research in the whole federation of Nigeria having about 774 local government areas at present. Neither will it be convenient to study the revenue management since inception till date in the whole country.

### **1.7 Significance of the Study.**

There is a vast and expanding body of literature on Local Government in Nigeria. A review reveals preoccupation with its evolution, roles and operational constraints the most critical of which is inadequate finance/revenue. What has not been considerably and empirically studied is the issue of resource management or utilization. This is the lacuna which this study hopes to contribute in filling no matter how little.

### **1.8 Methodology of the Study**

The research design employed for this study is the survey research. The purpose was to enable the researcher generalize from a sample population so that inferences can be made. The use of survey design can be justified on the basis of level of revenue management. The data collected was mainly on revenue generation and management in Zaria Local Government. The study also employed the descriptive statistical tools as methods of data analysis. In this vein, the researcher was able to observe what is happening to the sample subjects or variables without attempt to manipulate them as well as ensure that such observation is done. However, a selective description of the aspects of

the case study areas is considered to be critical to this research due to its exceptional influence on the output of the local government.

### **1.8.1 Methods and Sources of Data Collection**

Relevant data for this study were generated through three main sources, the primary, secondary and Personal observation criteria;

### **1.8.2 Primary Source:**

The primary instruments were collected through questionnaire, interviews, personal observation and official documents.

- i. Interview ; Seven (7) Zaria local government officials were interviewed which included a Chairman, Head of Administration, Works, Assistant Treasurer Revenue, (2) Councilors, and three (3) Revenue collectors (1) Revenue manager. Also interviewed were two(2) community leaders and associations, two (2) district, village and wards heads, one (1) community associations and general public.
- ii. Questionnaire; four hundred (400) questionnaire were administered to the thirteen political wards in the study area based on their population, such as traders in the Zaria Local Government markets (Zaria City market, Tudun Wada market, Dan magaji, Amaru and other petty traders in the communities).Civil servants, students and Zaria Local Government officials were also sampled through questionnaire. Sampling procedure used was a stratified sampling. Out of the four hundred (400) questionnaires, three hundred and eighty one 381 (95%) of the questionnaires were returned and duly completed. Therefore, the analysis of data is based on three hundred and eighty one 381 (95%) respondents.

- iii. Personal Observation; The researcher visited and inspected some of the projects executed by the local government at some wards, i.e Kufena, Anguwan Fatika, Tudun-wada, Kwarbai A, Gyellesu, Kaura, Tukur-Tukur and Dutsen Abba wards.
- iv. Official Documents; The researcher consulted some file documents in the local government secretariat on finances and projects executed i.e. files consulted are ZAR/KAD/LG/ADMIN/Vol.21,ZAR/KAD/LG/PROJECTS/Vol.14, ZAR/KAD/LG/FINANCE/Vol.6,ZAR/KAD/LG/REVENUE/Vol.17, ZAR/KAD/LG/SUPPLY/Vol.3

### **1.8.3 Secondary Sources;**

The secondary data, is that which has been generated and stored in texts, files, government publications, journals, thesis, project etc. and already exist (Refined) in published and unpublished forms. Secondary sources are useful in appreciating the previous studies for empirical studies and can also be used to broaden the base from which generalizations can be made among other usage.

The source of data conveys related views of scholars and researchers, which were consulted for a variety of data relevant to this study. However, all authors consulted are duly acknowledged and cited adequately in the references/bibliography of this research work.

#### 1.8.4 Population and Sample Size of the Study

The respondents of this study were drawn from the entire population of Zaria LG Area. According to 2006 Census population figure, Zaria Local Government area has the following number of inhabitants 473,214. The area has 13 political wards as presented in Table 1. Below

**Table 1.1 Population of Zaria Local Government Area by Wards**

S/NO	WARDS	POPULATION	SAMPLE SIZE
1.	Anguwan Fatika	32842	28
2.	Anguwan Juma	28471	24
3.	Dambo	25440	21
4.	Dutsen Abba	46054	39
5.	Gyellesu	32740	28
6.	Kaura	28471	24
7.	Kufena	25817	22
8.	Kwarbai A	27990	24
9.	Kwarbai B	59005	50
10.	Limancin Kona	60829	51
11.	Tukur- Tukur	51832	44
12.	Tudun Wada	25252	21
13.	Wuciciri	28471	24
	<b>Total</b>	<b>473214</b>	<b>400</b>

**Source:** National Population Commission, 2006 Population

Table 1.1 shows the population of Zaria Local Government Area by wards, and the sample size taken in each of the wards for the administration of questionnaire. Yamane formula was used to divide questionnaire across thirteen wards of the area based on their population.

### Taro Yamani's formula (1967)

$$n = \frac{N}{1 + N(e)^2}$$

n = Sample size

N = Population size

e = The level of precision

$$95\% = 0.05$$

$$99\% = 0.01$$

$$n = \frac{473,214}{1 + 473,214(0.05)^2}$$

$$n = \frac{473,214}{473,214 \times 0.0025}$$

$$= \frac{473,214}{1235.12}$$

$$= 399.9$$

$$= 400$$

The researcher uses the following probability sampling techniques;

- (a) Stratified Sampling: This is a form of probability sampling frame which is divided into one or more strata such as Gender, Age, Grade unit, Ward, Districts etc.
- (b) Simple Random Sampling: Here elements in sampling frame are numbered and then drawn into the sample. Every element has the same opportunity of being selected.

(c) Cluster Sampling: This enables the choice of elements of the population by the use of picking from into one or more strata of such as ward, districts of the local government area.

### **1.8.5 Sampling Techniques**

The sampling Techniques of this study is multistage cluster sampling. The study area was divided into wards as cluster of convenience, after then blocks of building were sampled and the head of households were randomly selected to whom questionnaire were administered

### **1.8.6 Method of Data Presentations and Analysis**

For proper analysis, descriptive statistics was used in analyzing the data collected. It involves the use of frequency distribution and percentages for analysis. Quantitative and Qualitative data were used to substantiate the data collected through questionnaire, by using qualitative method of analysis.

## **1.9 Definition of Terms**

**Local Government:** Local government is defined as government at the local level exercised through representative council established by law to exercise specific powers within defined areas.

**Financial Management:** Financial management is defined as the act of total management function concerned with the effective and efficient raising and use funds. As process and responsibility, financial management consists of decision making regarding the following:

- i. Determination of funds requirement of the organization revenue generation and mobilization.

- ii. Seeking and obtaining the right amount of funds at the right time for cash flow management.
- iii. Deploying available funds to the needs of the organization revenue application and control.

**Revenue:** Revenue is defined as any income or returns accruing to or derived by the government from any source and include any receipt however described arising from the operation of any law and receipt however described from or in respect of any property held by government and any returns by way of interest or loans and dividends in respect of shares or interest held by government in any company or statutory body.

**Internally Generated Revenue:** This refers to the revenue or money collected by the local government from its internal sources within the local government area.

**External Sources:** This are sources of Revenue that are sourced outside the local government e.g. Loans, Donations, Aids etc.

**Service Delivery:** According to this research service delivery refers to all the goods and services delivered by the local government in responses to the public needs in other to address societal problems.

**Statutory Allocation:** This consists of financial allocation approved by the constitution, to the different tiers of government from the federation account and share of the state government revenues that is allocated to the local government.

## **1.10 Organization of Chapters**

The study is organized into five chapters, chapter one contains the research problem, Research Questions, Objectives of the study, Research assumptions, Scope and Limitation, Significance and methodology, chapter two contains literature review and theoretical framework, chapter three covers Perspectives on local government revenue management and the structures in Zaria, chapter four presents data and analyze them chapter five contains the summary, conclusion and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

#### **2.1 Introduction**

There is an extensive body of literature on local government in Nigeria. This chapter reviews only a select few focusing mainly on aspects relating to revenue. The review is therefore undertaken and presented thematically.

#### **2.2 Literature Review**

##### **2.2.1 Decentralization: Nature and Purpose**

The case for decentralization originates from the most basic argument concerning democratic government, the effective representation of citizens' aspirations and grassroots development. Bekker (1996), Kalin (2004), Wunsch and Olowu (1995), are of the opinion that, the central government is often too far away from the experiences and needs of the people at the grassroots. It is the local government that is close to the local populace and as such knows their problems better. It has however been noted that, in many countries with centralized system, the pursuit of good governance has excluded the local level of government. Kalin (2004) observes that, despite numerous reforms and large amount of resources spent, many central governments have failed to provide local services with the quality and consistency required to improve significantly the standard of living of the majority of the rural population because of inadequate decentralization.

In a similar vein, Wunsch and Olowu (1995), noted that:

The centralization of the formal institutions of government has been futile as well as destructive. It has been destructive because, it has pre-empted negotiations with and real cooperation by elements of the society whose willing commitment and efforts were needed for development... in general what might be called 'local capacity' has been reduced and 'constitutional concentration' has been increased.

The above development is what Kalin (2004), describes as the geographical and psychological distance of the central government which results in the lack of information about local needs and problems, and the subsequent failure of central government to provide the services that impact positively on the people at the local level. Even when the central government makes development efforts, such attempts are not driven by local demands but rather imposed on the people by the agencies that have developed ideologies within the context of the interest of the central government.

In response to the huge failure recorded by the central governments in rural development and service delivery, decentralization has become a worldwide trend. This is to enhance greater efficiency and accountability at the local level, protect individual liberty and above all promote rural transformation. According to Rodinelli et al (1984), decentralization generally entails: The transfer of responsibility for planning, management, resource raising and allocation from the central government to:

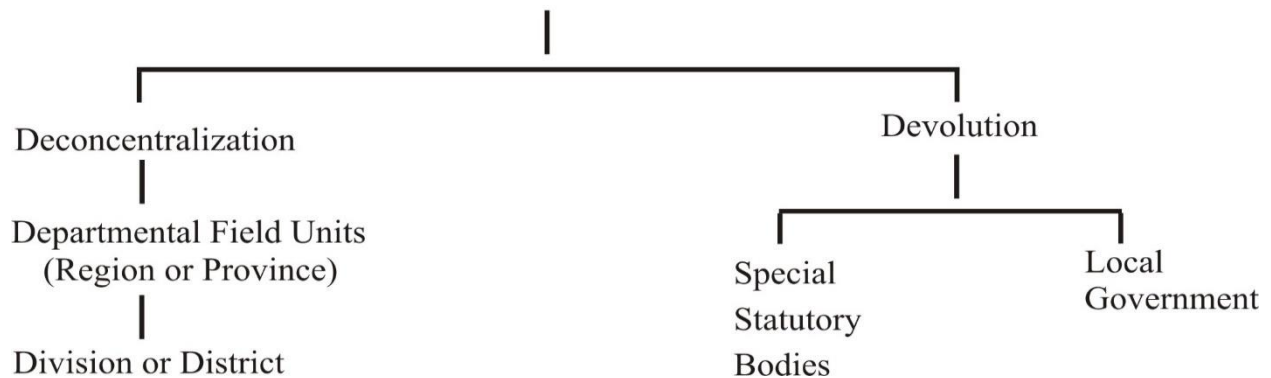
- (a) Field units of central government ministries or agencies
- (b) Subordinates units or levels of government
- (c) Semi-autonomous authorities or corporations
- (d) Area wide regional or functional authorities.

This concept of 'decentralization' is therefore not susceptible to a single definition, but definable only within a specified institutional arrangement. One can however, say in general terms that it refers to the transfer of authority on a geographical basis. This takes two forms i.e. de-concentration and devolution. The former according to the United Nations (1965) is the delegation of authority to field units of the same department or level of government, the later refers to granting of some measure of autonomy to local government units or special statutory

bodies. It should be noted that the highest degree of decentralization can be achieved in independent states which have no unifying central government. However, the degree of decentralization in a federal state is less than that in a confederation, but greater than that existing in a unitary state (Barber 1974; Bello-Imam 1996). Understandably, whichever form of decentralization that exists in a country at any point in time is a function of both political influences and ideologies.

Bennet (1990), highlights a useful definition of decentralization to include intergovernmental decentralization which involves transfer of authority, responsibility, power and resources downward among different levels of government and market based decentralization, where these same powers are transfer from government to the market and non-governmental organizations. The focus in this study rests on the former.

**Figure 2.1**  
**Decentralization**



**SOURCE: Ronald Wraith's Diagram on Decentralization (1972)**

Minis and Rodinelli (1989), delineate three types of decentralization which include; spatial decentralization, market and administrative decentralizations. The foregoing suggests that decentralization can be used to refer to four main processes viz; devolution, deconcentrations, delegation and privatization. Taking into cognizance the above views, Munyono (1979)

conceives decentralization as consisting of various arrangements with a dispute as to whether the term should be used to mean de-concentration or devolution. According to him;

Devolution refers to a form of political decentralization where a local government has an established local assembly with usually elected members. The local government to which power is transferred is given a corporate status, autonomy and functions.

Nsibambi (1992), presents a related argument as he sees it as a situation where by decision making authority is given to 'autonomous local government' or 'statutory bodies', with their own personnel whom they can appoint and dismiss. This entails a system which is characterized by a high level of local government autonomy. In any case, Obinna (2001), maintains that in practice, local government in most third world countries like Nigeria continue to suffer from the continuous witing down of their powers as the central government put in place restrictive measures that hardly allow for local initiatives and innovations.

De-concentration on the other hand is defined as an administrative arrangement that has to do with the delegation of responsibility and authority by the central government to staff of ministries who are situated outside the headquarters (Uya, 2002; Sorkaa, 1999). The emphasis here is the transfer of ultimate authority in decision making from the parent ministry. Decentralization can be deduced to mean an administrative arrangement where officials appointed by the center are posted to the field (districts, provinces etc.) to act as representatives of central government. In reality decentralization may turn out to be more about exercise of central control than the granting of autonomy to local institutions and administrations.

In all the literature consulted, there is emphasis on decentralization as an effective tool for promoting rural development through enhanced local autonomy and initiative as well as democracy. Decentralization results in strengthening and in some cases, the organization of local and intermediate level of government in development functions at the grassroots (Rosenbaum,

1999). This portrays decentralization as providing training and the basis for development of both democratic skills and practices that provide diverse response to popular demands at the grassroots.

### **2.2.2 Local Government**

Local government is among the most widely used concepts in development studies particularly in relation to rural transformation. There are multi-dimensional views on what local government is all about. It is defined generally to mean a public organization authorized to decide and administer a limited range of public policies within a relatively small territory which is a subdivision of a regional or national government (Lockward, 1968 and Gboyega 2003). The United Nations Office for public Administration (1961) sees local government as: A political sub-division of a nation (or in a federal system, a state) which is constituted by law and has substantial control of local affairs including the power to impose taxes or to exert labor for prescribed purpose. The governing body of such an entity is elected or otherwise locally selected.

Wraith and Emezi (1986) agreed that the term local government refers to a political authority set up by a state as a subordinate authority for the purpose of dispersing or decentralizing political power as a way of promoting local initiative and response to local needs. Local government in Nigeria has been described as, government at the local level exercised through representative councils, established by law to exercise specific power within defined areas (FRN, 1998). The Nigeria Federal Government blueprint and the Local Government Reforms Guidelines (1976) further state that such powers; Should give the council substantial control over local affairs as well as the staff and financial powers to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of state and federal governments in their areas and to ensure through devolution of functions to

these councils and through the active participation of the people and their traditional institutions that local initiative and response to local needs and conditions are maximized.

The above conceptions of local government have been adopted and elaborated upon by different scholars; Whalen (1976) states that, each unit of local government in any system is assured to possess the following features: a given territory and population, an institutional structure... a separate legal identity, a range of powers and functions authorized by delegation from the above central or intermediate legislature and lastly within the ambit of such delegation/autonomy subject always to the test of reasonableness.

However, scholars such as Oyediran (1988), made a distinction between local government and local administration. According to him, local administration is the administration of local communities essentially by means of local agents appointed by and responsible to the central government, be that central government, state, regional or national. Local government on the other hand is government in which popular participation both in the choice of decision makers and decision making process is conducted by local bodies (while recognizing the supremacy of the central government) are able and willing to accept responsibility for their decisions. All the conceptions depend on the types of local government and there are five broad types Anglo Saxon, French, Communist traditional and U.S. But generally, local government is the lowest level or tier of local government in any country but powers and functions vary depending on the type operated.

According to Ola (1984), the following facts emerged from the above definition; local government is a sub-division of a nation (state or nation state), it can impose taxes and incurred expenses which exist within a defined territory, it has autonomous existence, legal identity and is comprised of elected members to run it.

Local government, therefore, possesses the attributes of legal personality with constitutionally specified powers to perform a range of functions, substantial budgetary and staffing autonomy subject to limited central control and effective citizen's participation and localness (Olowu, 1985). The thread that runs through the definitions is the issue of decentralization of powers which revolves around the concepts of devolution and deconcentration which is central for effective revenue mobilization and management in federal, state and local government fiscal relations.

### **2.2.3 Development**

Development as a concept resists a universally accepted definition. Nette (1969), states that, the problems which usually surround the concept of development revolves around its meaning or what it entails. Streeten (1994), argues that development is simply an attack on the chief evils of the world today; malnutrition, diseases, illiteracy, unemployment and inequality. But measured in terms of jobs, justice, infrastructure, basic needs and the elimination of poverty, it has been a failure or only a partial success. In agreement with the above, Seers (1969), maintains that, analysis of development is important in its emphasis on equality as well as growth. Development according to him can be assessed by asking:

1. What is happening to unemployment?
2. What is happening to poverty?
3. And what is happening to inequality?

He continues that, it is only when the above problems are reduced in a society that development is said to be in place.

The quest for development has been central in all human societies. It is therefore a quest that is unending as society evolves and reproduces itself. It is the search for development that

creates the impetus for the introduction of local government. It is, against, this backdrop that Ottong (2002), sees development as:

A process of creating favorable conditions for growth or advancement of peoples' self-esteem through the establishment of social, political and economic systems and institutions which promotes human dignity and respect. By implication, a peoples' range of choices and access to better life generally including the level of freedom improved significantly.

Todaro (1977), sees it as a process of improving the quality of all human lives. This definition appears to be elastic as this covers; raising the people's standard of living, improving their consumption level, raising their educational standard, improving their medical care, changing their economic fortunes for the better, changing the social and class structure for the better, and above all getting the people to voluntarily and cooperatively work on projects that would bring about improvement to their community and by implication to the state at large.

The thread that runs through, the various definitions is that, development is a process of social, economic and physical change which the people experience over time as a result of government sponsored programme or the collective efforts of the people.

When development is qualified by the adjective 'rural', it becomes the change for better at the grassroots. In fact, rural development like development does not submit itself to a universally accepted definition. World Bank (1971) sees it as a strategy designed to improve the economic and social welfare of a particular group of people-rural poor. This involves extending the benefits of development to the poorest in the society. The group includes small scale farmers, tenants and the landless in rural areas. The above definition revolves around the idea of providing for basic needs such as portable water, feeder roads, education etc. It is however, unfortunate to note that the absence of these basics of life defined most rural societies in Nigeria.

The Oxford Dictionary of politics (1996) sees development from the view point of increased economic efficiency: expansion of productive capacity of a nation's economy; technological advancement, economic and industrial diversification as well as adaptability in the face of external forces.

Rural development can also be defined as a comprehensive mode of social transformation, a social-economic change seeking to bring about more equitable distribution of resources within the society and veritable acceptance of the principle of growth from below. This implies that rural development is meant to improve the living standard of the rural populace that gives recognition to equal distribution in the production process such that exploitation is reduced to the minimal level (Olatunbosun, 1975; Adewumi, 1987).

In agreement with the above, Adebayo (1973) asserts that; rural development is:

Development of the rural people in such a continuous manner as to enable them to effectively and efficiently utilize their intellect, technology and other resources for further development of both themselves and their resources is rural development.

Mobogunje, (1980) and Roxborough, (1979) consider rural development to do with the improvement of the living standard of the low income population living in rural areas on self-sustaining basis through transforming the social spatial structures of their productive activities. Rural development, therefore, corresponds with the nature of politics, state and production relations therein.

Lele, (1975) on her part argues that rural development is all about 'improving the living standard of low income population residing in rural areas and making the process of their development self-sustaining'. Her view has three major attributes with substantial implication for rural development.

- i. It involves mobilization and allocation of resources so as to reach desirable balance overtime.
- ii. That resources are allocated to low income regions and classes and that the productive and social services actually reached the targeted sector.
- iii. The presence and development of appropriate skills and implementing agents or capacity at the local, regional and national levels to ensure effective performance. It thus, means involving as distinct from simply reaching, the subsistence population through development programs.

She further opines that local participation in rural development may mean involvement in planning including assessment of local needs. Even if local people don't participate in planning, at the very minimum they should be informed of the plans designed for their areas if they are expected to cooperate with programme implementation. Participation in the implementation of programs can therefore develop the self-reliance necessary among rural people for accelerated development Lele (1975).

Ijere (1992), sees rural development as a process of not only increasing the level of per-capital income in the rural areas but also the standard of living of the rural areas, which depends on such factors as food, health, education, housing and security. Idode (1989), on his part argues that rural development has to do with the restructuring of the economy in order to meet the material needs and aspirations of the rural masses, and to promote individual and collective incentives to participate in the process of development.

The above definitions stressed rural development as essentially a mass and continuous transformation with the aim of meeting the social, economic and psychic needs of the rural populace. It can be established from the foregoing that rural development is more of a conscious

integrated system and process designed to uplift and improve the general living standard of the rural dwellers through the provision of the basic needs so as to develop the human potential which is the base for any development. This should not be confused with agricultural development as this is just an aspect of rural development, which is broader and multi-sectional. It is the quest for development at the local level that informs the rationality behind the existence of local governments.

### **2.3 Role and Performance of Local Government in Nigeria**

Deconcentration involves delegation of authority to field units of the same department and devolution on the other hand refers to a transfer of authority to local government units or special statutory bodies such as school boards for instance. From this perspective, one can see local government as a lesser power in the national polity. It is an administrative agency through which control and authority relates to the people at the grassroots or periphery. Emezi (1984) agreed with the above and adds to its functions administration of local communities that are organized to maintain law and order, provide some limited range of social amenities, and encourage cooperation and participation of inhabitants towards the improvement of their conditions of living. It provides the community with formal organizational framework which enables them to conduct their affairs effectively for the general good”.

With the emergence of independence, emphasis shifted from law enforcement to the provision of social services. Whallen (1976) views local government as a given territory and population, an institutional structure for legislative, executive or administrative purposes; a separate legal identity, a range of powers and functions authorized by delegation from the appropriate central or intermediate legislative and within the ambit of such delegation, autonomy including fiscal autonomy.

Gboyega (1987) on the other hand argues that there exist two basic classes of theories of local government. The first class attempts to justify the existence or need for local government on the basis of its being essential to a democratic regime or for practical administrative purposes like responsiveness, accountability and control. While the second class of theories opine that an effective local government system contradicts the purpose of a democratic regime. This position is justified on the ground that local government institutions are neither democratic in their internal operations nor admit a responsiveness, accountability and control. The above position can also be amplified into different schools of thought with emphasizes on the functional responsibilities of local government.

According to Ola (1984), these schools of thought include (a) Democratic Participatory School (b) The Efficient-Service School and (c) The Developmental School. Essentially, the democratic school of thought holds that local government functions to bring about democracy and to afford opportunities for political participation to citizen as well as to educate and socialize them politically. This view point has been corroborated by Keith-Lucas, David Bulfer and William Macheize. The efficiency school argues that what is central and important to local government is not the bringing about of democracy but rather that local government must be judged - by its success in providing services up to a standard measured by a national inspectorate. Jim Sharpe further opined that the efficient performance of these services is so compelling that, if local government did not exist, something else would be created in its place.

The developmental school defers from the above two schools of thought over its ethnocentric bias in favour of the developed Western democracies. It argues that from Alex-de-Tocqueville and J.S. Mill to James Bryce and to the contemporary theorists such as James, Sharpe, William Mackenzie and Hugh Whalen there was the emphasis on Western Europe and

Northern American. Undoubtedly, the Anglo-American has been the chief advocate of the democratic participatory school. Whereas from the Western Europe side, especially the German School have tended to embrace the efficiency services school, particularly from Rudolf Von-Gueist to Georges Langrod.

Therefore, the developmental school really emphasized on how local government in the developing world can be an effective agent of a better life, an improved means of living, socially and economically, and a means to a better share in the national wealth. In sum, the above approaches can be categorized into two; the general and the developmental categories.

The major functional items in the general category which sums up the ideas of the democratic participatory and the efficiency-school are democratic ideals, political participation, protective services and infrastructural services. Under the developmental category are national integration, social and economic development, and manpower resources development. Arising from this definition, the government itself states the primary objectives of the local government as follows (a) To make appropriate services and development activities responsive to local wishes and initiatives by devolving or delegating them to local representatives body; (b) To facilitate the exercise of democratic self-government close to the local government levels of our society, and to encourage initiatives and leadership potential; (c) To mobilize human and material resources through the involvement of members of the public in their local development; (d) To provide a two way channel of communication between local communities and government (both state and federal) (Local Government Reform, 1976).

Arising from the guidelines, the primary aim of local government is even far beyond the conceptual views of the above scholars. More importantly is the fact that the 1976 local government reforms, the 1979, 1989, and 1999 Constitutions sort to make local government the

bedrock of national politics. In a much more relevant perceptive, to the present day local government arrangement, H. V. Akpan defines it as “the breaking down of a Country into smaller units or localities for the purpose of administration, in which the inhabitants of the different units or localities concerned play a direct and full part through their elected representatives, who exercises power or undertake functions under the general authority of the national government. The above definition pre-supposes that local government exists in such a place where elections take place as at when due, to enable the people have a direct or indirect participation in the matters that concern them. It also connotes decentralization of power or authority. There appears to be serious areas of departure between this definition and the one contained in the 1976 Local Government Reforms.

The above appears more detailed and relevant to the present circumstances, as it sees local government as a representative government. It sorts to make local government autonomous. It advocates the cooperation of the people in their development projects and also stresses the need for local government to be relevant to the needs of the people. Be that as it may, a summation of the definitions above points to the fact that local government involves the conception of a territorial non-sovereign community, possessing the legal right and the necessary organization to regulate its own affairs. Local governments are not sovereign unlike independent nation state. Local government per se is a subordinate government, which derives its existence and power from law enacted by a superior government (Awotokun and Adeyemo, 1999).

In Nigeria, the Functions of Local Government as Captured in Section 7 and Fourth Schedule of the 1999 Constitution of Nigeria states that;

(1) The main functions of local government are;

(a) The consideration of the making of recommendations to a state commission on economy planning or any similar body on;

- (i) The economic development of the state, particularly in so far as the areas of authority of the council and of state are affected and
- (ii) Proposals made by the said commission or body
- (b) Collection of rates, radios and television licenses
- (c) Establishment and maintenance of cemeteries, burial grounds and homes for the destitute or infirm
- (d) Licensing of bicycle, trucks, (other than mechanically propelled trucks), canoes, wheelbarrows and carts.
- (e) Establishment, maintenance and regulation of slaughter houses, slaughter slabs, markets, motor parks and public conveniences
- (f) Construction and maintenance of roads, street lightings, drains and other public high ways, parks, gardens, open spaces or such public facilities that maybe prescribed from time to time by the House of Assembly of a state
- (g) Naming of roads and streets and numbering of houses.
- (h) Provision and maintenance of public conveniences, sewage and refuse disposal.
- (i) Registration of all birth, death and marriages.
- (j) Assessment of privately owned houses or treatment, for the purpose of levying such rates as maybe prescribed by the House of Assembly of a state.
- (k) Control and regulation of;
  - (i) Outdoor advertising and hoarding.
  - (ii) Movement and keeping of pets of all description
  - (iii) Shops and kiosks.
  - (iv) Restaurants, bakeries and other places for sales of food to the public
  - (v) Laundries and
  - (vi) Licensing, regulation and control of the sale of liquor.

The function of local government shall include participation of such council in the government of a state in respect of the following matters; The provision and maintenance of primary, adult and vocational education, The development of agriculture and national resources, other than the exploitation of minerals, The provision and maintenance of health services and such other functions as maybe conferred on a local government council by the House of Assembly of the state.

The consensus in large body of literature is that right from Native Authority Systems during the colonial era to present; Local Government has not served as an effective instrument of government and development at the grassroots level due to a host of factors such as;

- a) Weak revenue base.
- b) Poor resource management.
- c) Poor caliber of staff.
- d) Bad leadership.
- e) Corruption on the part of revenue collectors.
- f) Non remittance of federal allocation to the local government by the state government.
- g) Absence of accountability.

#### **2.4 Local Government Revenues/Finances**

Finance, according to Bello-Imam (1996), is the ‘sinews of war’ for all functional organizations in any economy. It is a crucial prerequisite which enables an organization, public or private to maintain itself and effectively meet its commitment to individuals and groups who benefit her services. The role expected to be performed by local governments in rural transformation is quite enormous, and finance is therefore, one of the critical variables they need to be able to meet these responsibilities Bello-Imam (1990).

The insolvency of local governments in Nigeria was pervasive prior to 1976. It was such that almost every aspect of their inefficiency was tied to lack of finance (Bello-Imam 1996; Adebayo 1972). The authors further argue that the panacea to all the problems bedeviling the performance of local government was finance. Jumare (1994) observed that “effective fiscal federalism depends to large extent on availability of financial resources”.

The 1979 constitution identified adequate sources of revenue for the third tier of government. These sources include statutory allocation from the federal and state governments, grants (external sources) and internally generated sources. Bello-Imam (1985) posits that, there are five distinct sources of revenue for local governments. These are financial transfer, local or

poll tax, property tax or rates, user fees and charges and loans. Whereas the financial transfers and loans are external sources, the others are internal sources. The external sources are not directly determined nor influenced by the local governments while the internally generated sources are determined and influenced by the local governments. The revenue coming from the external sources are not influenced by the fiscal efforts of the local government but are obtained in accordance with the constitutional provisions of fiscal federalism in Nigeria Denga (2003). This consists of finance principally from revenue sources of states or federal government. According to Bello-Imam (2007), the system goes by different names which include; inter-governmental transfer, statutory allocations and grants etc. In Nigeria, it is called federal or statutory allocation.

The transfer of funds from the federal to local governments is predicated on a number of factors such as the unwillingness of the central government to vacate some viable revenue fields to local governments even when such sources are located in the local government. Bello-Imam (2001) also posits that, this is done to encourage local governments develop policies and programs in line with national policy to stimulate rural development. He also states that, it was to arrest the declining revenue condition, and increasing cost of grassroots administration that federal allocation to local governments was introduced.

With financial transfer, the federal government in Nigeria is required to transfer 20% of the federation account to local government and each state is conditioned to give 10% of her internally generated revenue to her local governments. This source is supported with grants in aid under certain condition from a higher level of government (Enuemuo, 1999).

Local governments can also incur bank facility or loans to finance capital projects. This could be either from private or specialized municipal credit agencies. This, however, is described as a

minor source for local government because of limited access to loan finance (Denga, 2003:84). Agreeing with the above, Egonmwam (2002) submits that state control of local governments could well constitute an impediment to loans as sources of finance for grassroots administration.

Internally Generated Revenue (IGR) is the revenue that the local government generates within the area of its jurisdiction. But the primary source of local government sustenance in Nigeria is from Federal Allocation, it is the livewire of a local government. The extent to which a local government can go in accomplishing its goal will largely depend on its IGR strength. The capacity of local government to generate revenue internally is one very crucial consideration for the creation of a local council.

But various studies as Akindele and Obiyan (2002), Ekpo and Ndebbio (1998), have shown that local governments in Nigeria depend solely on statutory allocations from the federal government. In recent times though, there have been dwindling pattern in the federal allocation because most of the federal government revenue is from petroleum proceeds. There is less demand for petroleum in the world as other developed nations of the world are shifting away from petroleum as source of energy to other sources such as gas, solar energy e.t.c. Then the onus lies on the local government to work on their internal revenue efforts to be able to accomplish its goals in the local community.

Local governments now face more challenges in terms of struggling to be less dependent on the Federal and the state governments for financial resources. Though, the revenue allocation system mandates that a certain fraction of the Federation Account be allocated to local governments, these funds are not enough to meet expenditure requirements. This is because the size of the account related to revenue from oil which is subject to fluctuations and the expenditures of local government far exceeds available resources.

The internal sources are generated by the local governments themselves. They are also collected by staff appointed by the local governments. The systematic increase in the externally generated revenue dampens the urge for the exploitation of internally generated sources. One among the internal sources of local government revenue is poll tax or community tax. This is also called flat rate tax as it is imposed across the board by local authorities on all eligible citizens. (Dlakwa, 1990). This form of tax was paid in Nigeria by every male citizen above sixteen years. It was a buoyant source of revenue for local governments before its abolition in the 1980s.

Property rates is another good source of internal revenue to local governments in Nigeria particularly the ones in urban centers (Denga 2003). This source is largely neglected in relatively small towns (FMG, 1984). Its estimation as a potential source for grassroots administration is partly based on its importance in the developed countries (Gboyega 2001). It is a tax paid on the ownership of properties like companies, estates etc. Apart from Lagos, its potentiality is yet to be fully exploited in Nigeria.

Another internal source of local government revenue in Nigeria is user fees and charges. This according to Enemu (1999) Bello-Imam and Eronini (2001) and Enyi (2004) is paid in exchange for services provided by local governments by the users of such services. They include birth and death registration fees, bicycle license, survey fees etc. This source can contribute more if properly exploited and managed in Nigeria (Gboyega 1978).

## **2.5 Local Government Finances/Revenue in Nigeria before 1976 Reforms**

Before the 1976 reform, there was no national or uniform system of local government in Nigeria. Generally, inadequate revenue was arguably the most critical and intractable of the problems that faced local government in the country (Gboyega, 1987). The northern region was better off because it had sources such as poll tax, cattle tax and jangali. There was a developed system of

taxation in the emirates which facilitated the organization of treasuries and the collection of revenues in support of native administration (Gboyega 1987, Adedokun 2004, Bello Imam 1990 and Emezi 1983).

The first major statute pertaining to local government revenue was the Native Revenue proclamation (NRP) No.2 of 1906 which consolidated the existing different forms of taxes into a single direct income tax and where relevant [Northern Nigeria] maintained the jangali tax. e.t.c (Gboyega, 1987, and Bello Imam 1990). It should be noted however, that local taxation which later became a source of financing native authorities' predated colonial rule in Northern Nigeria, The NRP of 1906 only helped in consolidating and systematizing the existing local taxation that afforded a few advantages to the tax payers and the traditional rulers alike. Another advantage of NRP was that, it was easier than the multiplicity of taxes, gifts and tributes it replaced. This actually enhanced the financial security of local administration.

Local taxation, according to Gboyega (1978), Bello Imam (1990) and Emezi (1983) amongst others, was a major source of local government finance before 1976. The local chiefs had the right to collect these local taxes. The right to taxation of the traditional rulers who controlled local administration was abrogated and transferred to the British crown after the conquest. The above was in vogue before 1914.

Following the 1914 amalgamation, the application of direct tax went hand in hand with the organization of native administration. In 1917 the N R P of 1906 replaced with Native revenue ordinance (N R O) which consolidated the existing local taxation in Northern Nigeria. From 1918 onwards, this became gradually and progressively applicable through out southern Nigeria. (Gboyega 1997, 1995, 1996, Ekpo and Ndebbio 1998). This was easy going in western Nigeria as there were already in existence under the pre-colonial system relations of tributary

contributions between peasants and traditional rulers and between minor chiefs and superior chiefs. The application of Native Revenue Ordinance met some level of resistance in the eastern region because of a highly decentralised system of government that was in place before the advent of colonialism (Green 1965 and Orewa 1966). It was the anti-tax agitation in eastern Nigeria that led to the popular Aba women riot of 1929. Under the provision of the Native Revenue Ordinance, the revenue accrued from local taxation was shared equally between native authorities and the government (Orewa 1966 and Gboyega 1987). In 1927, the proportion of local income tax was raised from 50% to 75% for fully organised native authorities and 50% for the others (Gboyega, 1987).

However, in 1930, the austerity imposed on government as a result of the recession impacted on native authorities' revenues negatively. In 1932, there was a general reduction of local tax enjoyed by the fully organised native authorities by 10% so as to relieve the pressure on government finances. Gboyega (1987), emphasised that this deduction was inherited by successive governments till 1976. The native authorities had no inherent financial autonomy; the deduction was not only unilaterally determined but also uncompensated for.

In 1935, the revenue formula was reversed. It was decided that it was more reasonable to grant favorable allocation of revenue to the less privileged native authorities. The problems of inadequate local revenue and unsatisfactory sharing arrangement between government and native authorities became pronounced. This made sir Bourdillon to put in place a committee in 1939 to address these problems. In fact for the first time, proper and serious regards was given to the question of function to be performed by native authorities within the context of inter governmental fiscal relation (Orewa, 1963; and Gboyega 1987).

The direct taxation ordinance of 1<sup>st</sup> April 1940 and 1948 were put in place but instead of improving revenue base on the native authorities, the ordinance favored the control of local taxes by the government. Infact it did nothing to improve the growth of local government financing mainly because it was a conservative piece of legislation intended to rationalize and consolidate the colonial value system (Phillipson, 1946).

In 1957, the direct tax ordinance was replaced by income tax law of 1957. It was under the law that local authorities were permitted to collect general and special rates while the government took over the collection of the regional income tax (Orewa 1966). Further changes in the tax system were effected in 1960. The income tax (Amendment) law, 1960 and local government (Amendment) law 1960 abolished the provision for general and education rate instead; the local authorities were empowered to collect income tax which under 1957 arrangement was collected by the state government. This period saw a little improvement in the revenue base of local authorities and the government promised to pay tax equalization subsidy equal to the loss of revenue to each local authorities. This was however, maintained only for a few years (Orewa, 1966 and 1963).

In April 1961 the government introduced the pay as you earn (P.A.Y.E.) system and took over the collection of tax of all tax payers with assessed income of 300 payers and above leaving the local authorities to collect tax from low income earners. In 1962, the income tax was amended to authorize local authorities to collect development distribution. The changes started till 1974\75 fiscal year when government took over the collection of tax from all categories of people from local authorities and promised to pay the flat rate tax to be collected on behalf of the council periodically (FRN1974).

As part of the financial reforms to support the council manager system which came in effect in 1973, tenement rating was also introduced as a source of local revenue. (Gboyega, 1987). An assessment of the foregoing indicates that; none of the changes since 1906 had any substantial positive changes or effect on the financial health of local authorities. In fact, the over all impact of these frequent changes was negative. It instead resulted in instability in the most important source of local authority finance which was tax. More so, these changes had almost always meant financial loss to local authorities.

Other sources of revenue /finance to local authorities before 1976 reforms were (i) fines and fees; (ii) profits from trade and industry; (iii) investment and (iv); grants.

## **2.6 Local Government Finance/Revenue since the 1976 Reforms**

In 1976 the search for a stable system of local government in the country, made the Federal Military Government to embark on a nation wide Reforms. This put to an end to the variegated systems that existed before, for the existence of a uniform administrative structure that can lead to the materialisation of the development goals of Nigeria (FMG 1976 and Gboyega 1996).

The 1976 reform provided for a multi-purpose single tier local authorities to be called 'Local government'. This tier could however have subordinate units to which it could delegate some of its powers and functions (The Reforms also introduced the chief Executive system of management and increased the functions of local governments. The hitherto existing divisional administration system was scrapped and local governments made the third tier in the Nigeria federal arrangement (Bello-Iman 1996). Going by the reform guidelines, each local government was to have a population of between 150,000 and 800,000 with no upper limit for a continuous municipality which need not to be spelted because of its large population. In some few exceptional cases, local government councils were given approval with a population of less than

150,000 each. The reforms created 301 local government councils in Nigeria. It is however interesting to note that the number rise to 774 today.

The insolvency of local governments in Nigeria was pervasive prior to 1976. It was such that almost every aspect of their inefficiency was tied to lack of finance hence there was nothing like statutory allocation then (Bello-Imam 1996, Adebayo 1972). The authors further argue that the panacea to all the problems bedeviling the performance of local government was finance.

The first major attempts in addressing the financial insolvency of local government took place during the 1976 local government reforms Bello-Imam (1996). The 1979 constitution identified adequate sources of revenue for the third tier of government. These sources include statutory allocation from the federal and state governments, grants and internally generated sources. Bello-Imam (1985) points out five distinct sources of revenue for local governments; these are financial transfer, local or poll tax, property tax or rates, user fees and charges and loans. Whereas the financial transfers and loans are external sources, the others are internal sources. The external sources are not directly determined nor influenced by the local governments while the internally generated sources are determined and influenced by the local governments. The revenue coming from the external sources is not influenced by the fiscal efforts of the local government but obtained in accordance with the constitutional provisions of fiscal federalism in Nigeria Denga (2003). This consists of finance principally from revenue sources of states or federal government. According to Bello-Imam (2007), the system go by different names which include; inter-governmental transfer, statutory allocations and grants etc. In Nigeria, it is called federal or statutory allocation.

The transfer of funds from the federal to local governments is predicated on a number of factors such as the unwillingness of the central government to vacate some viable revenue fields

to local governments even when such sources are located in the local government. Bello-Imam (2001) also posits that, this is done to encourage local governments develop policies and programs in line with national policy to stimulate rural development. He also states that, it was to arrest the declining revenue condition, and increasing cost of grassroots administration that federal allocation to local governments was introduced.

With financial transfer, the federal government in Nigeria is required to transfer 20% of the federation account to local government and each state is conditioned to give 10% of her internally generated revenue to her local governments. This source is supported with grants in aid under certain condition from a higher level of government Enuemuo (1999).

Local governments can also incur bank facility or loans to finance capital projects. This could be either from private or specialized municipal credit agencies. This however, is described as a minor source for local government because of limited access to loan finance Denga (2003). Agreeing with the above, Egonmwam (2002) submits that state control of local governments could well constitute an impediment to loans as sources of finance for grassroots administration. The table below shows the statutory allocation from the federation account to Local Government in Nigeria from 1976-2011.

**Table 2.2 Statutory Allocation from the Federation Account to Local Governments in Nigeria: 1976 – 2011 in (₦ Million)**

S/No.	Year	Total Federally Collected Revenue	Amount Allocated to all local government	Percentage of Local Governments Allocation in Federal Revenue
1.	1976	6,765.9	100.0	1.5
2.	1977	8,042.2	250.0	3.1
3.	1978	7,469.3	150.0	2.0
4.	1979	10,913.5	261.4	2.4
5.	1980	15,234.0	352.6	2.3
6.	1981	12,190.2	1,085.0	8.9
7.	1982	11,764.4	1,081.7	9.2
8.	1983	10,508.7	976.9	9.3
9.	1984	11,766.8	1,061.5	9.0
10.	1985	14,680.8	1,327.5	9.0
11.	1986	12,837.6	1,166.9	9.1
12.	1987	25,099.8	2,117.8	8.4
13.	1988	27,099.8	2,727.1	10.0
14.	1989	50,272.1	3,399.8	6.8
15.	1990	66,895.4	7,680.0	11.5
16.	1991	100,991.6	10,764.8	10.6
17.	1992	190,453.2	16,488.0	8.7
18.	1993	192,769.4	18,316.4	9.5
19.	1994	201,910.8	17,321.3	8.6
20.	1995	459,987.3	17,875.5	3.9
21.	1996	520,190.0	16,569.7	3.2
22.	1997	582,811.1	20,443.3	3.5
23.	1998	463,608.8	30,602.9	6.6
24.	1999	949,187.9	36,746.9	3.9
25.	2000	1,906,159	1,262,468	6.6
26.	2005	5,597,500	3,203,300	5.7
27.	2006	6,061,000	3,315,100	5.5
28.	2007	5,715,600	3,878,500	6.8
29.	2008	7,866,600	4,552,800	5.8
30.	2009	6,721,100	3,624,210	6.2
31.	2010	7,160,600	3,580,300	5.4
32.	2011	7,406,000	3,703,000	5.1

**Source:** Central Bank of Nigeria (CBN), Annual Reports and Statement of Accounts for the Various Years.

Internally Generated Revenue (IGR) is the revenue that the local government generates within the area of its jurisdiction. But the primary source of local government sustenance in Nigeria is from Federal Allocation, it is the livewire of a local government. The extent to which a local government can go in accomplishing its goal will largely depend on its IGR strength. The capacity of local government to generate revenue internally is one very crucial consideration for the creation of a local council.

Akindele and Obiyan (2002), Ekpo and Ndebbio (1998), have shown that local governments in Nigeria depend solely on statutory allocations from the federal government. In recent times though, there have been dwindling pattern in the federal allocation because most of the federal government revenue is from petroleum proceeds. There is less demand for petroleum in the world as other developed nations of the world are shifting away from petroleum as source of energy to other sources such as gas, solar energy e.t.c. Then the onus lies on the local government to work on their internal revenue efforts to be able to accomplish its goals in the local community.

Local governments now face more challenges in terms of struggling to be less dependent on the Federal and the state governments for financial resources. Though, the revenue allocation system mandates that a certain fraction of the Federation Account be allocated to local governments, these funds are not enough to meet expenditure requirements. This is because the size of the account is related to revenue from oil which is subject to fluctuations and the expenditures of local government far exceed available resources.

The internal sources are generated by the local governments themselves. They are also collected by staff appointed by the local governments. The systematic increase in the externally generated revenue has dampens the urge for the exploitation of internally generated sources. The Dasuki report on local government cited in Bello-Imam (1996) gave credence to this when it states that:

Whereas, in 1978/97 the majority of the local governments generated between 20% and 70% of their total revenue, by 1983, the corresponding figures had dropped to between 4% and 30% (also see FMG 1984:4-7).

One among the internal sources of local government revenue is poll tax or community tax. This is also called flat rate tax as it is imposed across the board by local authorities on all eligible citizens. Dlakwa (1990). This form of tax was paid in Nigeria by every male citizen above sixteen years. It was a buoyant source of revenue for local governments before its abolition in the 1980s.

Property rates are another good source of internal revenue to local governments in Nigeria particularly the ones in urban centers Denga (2003). This source is largely neglected in relatively small towns (FMG 1984). Its estimation as a potential source for grassroots administration is partly based on its importance in the developed countries Gboyega (2001). It is a tax paid on the ownership of properties like companies, estates etc. Apart from Lagos, its potentiality is yet to be fully exploited in Nigeria.

Another internal source of local government revenue in Nigeria is user fees and charges. This according to Enemuo 1999:186, Bello-Imam and Eronini (2001) and Enyi (2004) is paid in exchange for services provided by local governments by the users of such services. They include birth and death registration fees, bicycle license, survey fees etc. This source can contribute more if properly exploited and managed in Nigeria.

## **2.7 Public Revenue Management in Local Government**

The management and control of local government finance, the 1999 Constitution of the Federal Republic of Nigeria provides for the establishment of State-Joint Local Government Account in each state of the federation where funds from the Federal Account are lodged before disbursement to the local government councils in the state. This arrangement has been hijacked by state governments to starve local governments in their jurisdiction the needed funds for project implementation and rural development. This point is aptly acknowledged by

Mbam, the Chairman of the Revenue Mobilization Allocation and Fiscal Commission (RMAFC) when he observed that information at the disposal of the Commission show unethical practice in the disbursement of funds from the State Joint Local Government Account in various states of the federation. As he maintained, allocations from the Federation Account, most times do not actually reach the Local Government Councils. There are numerous allegations of manipulation of the Account at the point of disbursement. States hardly make their own contributions as stipulated by Section 162 (7) of the Constitution of the Federal Republic of Nigeria. In view of the above challenges, it is the position of the RMAFC that Local Governments should be granted fiscal autonomy by paying statutory allocations from the Federation Account directly to their coffers in which case the State Joint Local Government Account should be abolished through appropriate reforms (see “RMAFC Canvasses for Direct Funding of LGAs”).

There are a number of financial management and control under democratic setting in Nigeria. One of such is the legislative control. Local governments operate under a legislative framework established by the constitution of the country. These legislative provisions are meant to guide the disbursement of funds in the system. Technically, But practically they operate more under the latter as legislative councils are directly responsible for the budget of councils and implementation of the local government financial vision. These checks and controls are “toothless bulldog that barks but cannot bite”. Despite these checks and control, poor funding remains the most cited reason for the inefficient implementation of public policies and programmes at the grassroots.

It is however, obvious from the literature reviewed that a number of factors inhibit the actualization of these objectives. The poor performance of local government as a tool for revenue mobilization and management at the grassroots has been constrained by a wide range of factors. The most notorious of the constraints, according to Bello-Imam (1996) and Enemuo (1999), is inadequate finance. The problem arises from their inability to source

mobilize revenue internally coupled with insufficient allocation from the central government. This removes them of their functions as they hardly have the finance to execute meaningful rural development projects. There is shortage of well trained and qualified personnel that ought 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 the local government are short staffed to carry out their duties. This Ameh (2003) calls 'Lack of resources' Local Government lack skilled manpower to facilitate a high rate of service delivery. Sorkaa (1999), states that the era of party politics affects immensely the recruitment, discipline and condition of service of local government staff and hence the performance of local governments in Nigeria.

Local governments lack the capacity to attract and retain the right calibre 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 do officers). There were no professionals like 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 the 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 mostly 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 introduce 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 controls still impose further restrictions on what local governments can do (Roberts, 1998). The delay in the passage of annual budget for local governments poses a great problem in the sense that budget sometimes take three months before approval. Invariably, this causes delay in the execution of local government functions including payment of the staff salaries and hinders 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 government's allocation from the federation account which was equality (40 per cent) population (30 per cent), land mass/terrain (10 per cent) social development factor (10 per cent) and internally generated revenue (10 percent). This formula will continue to yield less revenue for 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 perusal usage thereby denying the council of the needed funds for its operations. Adamu (1992) observed that some local governments Chairmen deposited local governments' subventions into savings and loans companies in which the local governments had no account. Some local governments see this as an avenue to divert councils' funds for personal use.

Another problem is the excessive interference and control by the central government. This undermines the local autonomy of the third tier of government. In Nigeria, the federal and state governments have mostly led the dissolution of elected local governments' chairmen and councilors before the expiration of their tenure. Bello-Imam (1996) opines that the intergovernmental relationship between local governments and the

higher levels of government has witnessed suffocating controls and sometimes conflicting directives. This causes a lot of problem at the local level and the performance of local governments in general. Corruption, lack of political will and honesty constitutes another serious problem to local government performance in Nigeria. Ameh (2003) asserts that, corruption at this level of government covers aspects like embezzlement of funds, falsification of receipts and accounts, inflation of figures on payment vouchers, inflation of prices of goods and services rendered and unnecessary employment of staff.

Sorkaa agrees with the above when he says that, corruption and unethical behavior has eaten deep into the fabric of the local government system in Nigeria. He further opines that most top functionaries of local government are not always objective; administrative work is personalized, rules are not taken seriously and sometimes, even discarded completely Sorkaa (1992:1999). The above implies high incidence of corrupt use of office, lack of integrity and unlawful misappropriation of public funds, particularly internally generated revenue for personal gains. This the higher level of government used as an excuse for the controlled autonomy of local governments. There is also the problem of inadequate support in some quarters. This stems from the poor performance of local government in rural development and service delivery at the grassroots. In the recent past many scholars and even top government officers have called for the scrapping of local governments in Nigeria. This according to Denga (2003) was as a result of their poor performance of their traditional role in the recent past.

The problem of lack of fiscal transparency as a result of mismanagement of funds, corruption, poor internal control and lackadaisical attitude to government work and property still abounds. The question that comes to mind is that if the statutory allocation is not forthcoming, if oil is de-emphasized in the economy what would be the lot of local governments' finance in Nigeria. National Guidelines on Local Government Reform emphasized sources and problems associated with revenues came during the administration

of General Murtala/Olusegun in 1976. This reform was the most revolutionary in the history of local government reforms in Nigeria. The objective and functions assigned to the local governments were far reaching. It entrenched a high level of democratic participation and autonomy to the local council, local government was incorporated for the first time into the national revenue sharing formula (10% later 15%)

On the whole, there is unending list of problems that 'inhibit' the effective performance of local governments. They can be summarized to include; pecuniary distress, inadequate executive capacity, suffocating control by the state and federal governments, irregular democracy at this level and lack of political will on the part of local government to initiate and implement development projects.

## **2.8 Gaps in the Literature**

As earlier stated there is an ever growing body of literature on Local Government and Local government revenue in Nigeria. Many of the authors that write on this subject focused on the general operations, reforms and functions of local government with little consideration to the revenue management capacity of local government vis-a-vis their constitutional functions in Nigeria. Others have concentrated on the historical perspectives of development strategies over the years regarding rural transformation without matching the revenue management ability of local government. Example earlier studies have actually failed in a way to reconcile the traditional functions of local government and the available revenue management powers before this tier (structure) in Nigeria's political arrangement. The foregoing therefore implies that, very little has been done to consider local government revenue management in Nigeria's quest for development through the institutional framework of the third tier of government. This no doubt constitutes a wide gap in the literature which this work seeks to fill. There is also a consensus in the literature that Local Government in Nigeria has weak utilization of revenues i.e. characterized by financial/revenue viability as well as mismanagement as well as denials by the higher levels of Government. For example, the recent State-Local

Government joint account as well as what obtained before the 1976 Local Government reform.

## **2.9 Theoretical Framework**

The study adopts structural-functionalism as an approach to help provide the basis for examining the assessment of revenue management at the Local Government level in Nigeria. Structural functionalism as an approach dates back to the days of Aristotle (Mahajan 2000). In the modern form, the stress on functionalism is derived from anthropological and sociological theories of Bronislaw Malinowski and Radcliffe-Brown (1973) . It was adopted by Talcott Parsons and Marion Levey and it has since become a major framework of analysis in sociological discussions. In political science, structural functionalism is linked to Easton's systemtheory. Gabriel Almond taking system analysis as a starting point expounded its basic principles of analysis Enemu (1999). The theory since in the 1950s has been gaining acceptance into political science as a tool of analysis.

Structural-functionalism, therefore, focuses its attention on the structures and functions performed in any political system. In structural functional analysis, one identifies important structure (e.g local government) and seeks to discover their roles and functions (Ayeni-Akeke 2008; Mahajan 2000 and Enemu 1999). According to Gabriel Almond, one of the major proponents of the approach in political science, the political system is a system of interaction that exist universally in all societies and states performing the functions of integration and adoption by means of employment or threat of employment of more or less legitimate physical compulsion. This implies that, the political system in structural functional analysis is a systemic whole that influences and is influenced by its environment Mahajan (2000). Its characteristics or features are comprehensive, interdependence and bounded by its structural functions. The basic units of the approach are structures and roles not individuals. Almond argues that every structure has a set of functions that it must perform for the system's survival and equilibrium. This constitutes the functional requirement of the

structures and the system as a whole. Almond cited in Enemuo (1999) further argues that, the functioning of any political system may be viewed in terms of its capabilities defined by the ability of its structures to perform. Apparently, the theory upholds that, every viable political system must perform some basic functions as it requires some structures to do them. These functions are broadly categorized into input and output functions. The former has to do with demands from the environment while the later has to do with the making of authoritative decisions based on the inputs that affect the environment (People therein).

The foregoing therefore, implies that, there are some structures in every system. Local government in this regard can be considered as one of these structures in Nigeria's political system and as such has some functions to perform for the survival of the system. The Law establishing local government states that, local government has it as a function to raise (mobilize) and utilize (manage) revenue within its constitutional powers and sources for the benefit of its people (FRN 1976). The above clearly described local government as a structure in the system and perhaps the function it has to perform.

The statutory roles assigned to local government as a structure to mobilize and manage revenue so as to ensure equilibration of the system fits in the major principles of structural functionalism. The finances of Local Government are public finance and therefore, Local Government should adhere to principles of public financial management requiring that the sources of revenue both external and internal budget through revenue base on the priority needs and aspiration of the people and work to the limit of the people. The inability of this structure (local government) to carryout its functions effectively show inefficacy that has effect on the entire system.

## **2.10 Relevance and Limitations of the Theory**

As the theory states, local government is a structure statutorily created and mandated to perform certain responsibilities or functions of critical importance to the local or grassroots populace or citizens of a country. This study focuses on revenue or finance which is one of the critical factors that determines the capacity of local government to efficiently and appreciably discharge its functions.

The theory is therefore, relevant because it enables us to assess and understand public financial management by the Zaria local government. In other words, whether the local government has maximally managed, utilized or expended the statutory finance/revenue that accrued to it on critical functions that uplift or improve living standard of the generality of its populace which is one of the primary roles of local government.

### **The Limitations of the Theory are:**

- i. The theory is mainly descriptive of institutions, structures and process of the political system, such as the executive, legislature, judiciary etc.
- ii. Based mainly on advanced liberal democracies especially the functions identified by Gabriel Almond, one of the key proponents of the theory is that there may be differences between the systems and structures but all the system perform almost same political functions.

## CHAPTER THREE

### BACKGROUND: FINANCIAL MANAGEMENT AND SERVICE DELIVERY IN ZARIA LOCAL GOVERNMENT AREA

#### 3.1 Introduction

This chapter provides the background, financial management and service delivery in Zaria local government area. It considers the historical background, evolution as well as Financial Management and service delivery in Zaria Local Government.

#### 3.2 Brief Background of Zaria Local Government Area

Zaria Local government is one of the oldest in the history of Nigerian local government. In March 1902, the colonial government established a provincial administration at Zaria with Captain Abadies as a resident in charge. The provincial boundaries of Zaria in 1902 were much wider than they are and the emirate has two dimensions. The larger, having its headquarters in Zaria city and the lesser based at Wushishi. Zaria local Government lies to the East of Kaduna State. It consists of five districts, namely, Zaria, Kongo, Dakache, Birnin Dakawaye and Wusasa.

The city of Zaria is an ancient settlement. It was founded by a famous Habe King called Bankwa Turunku in 1536 AD. Bankwa had two daughters Amina and Zariya. The city was named after the younger daughter of the King. Amina the older daughter succeeded her father as Queen of the empire. Zaria Local Government originated from the defunct Zaria Native Authority to Local Authority, which covered present Sabon Gari and Soba Local Government Areas. As presently constituted, Zaria local Government was created by then Kaduna State Military administration under Col. Usman Jibril in 1976 after the reform.

**Geography:** Zaria Local Government is located between the longitude  $90^{\circ}$  and  $100^{\circ}$ C and latitude  $70^{\circ}$  and  $80^{\circ}$  North-East, with size of  $300\text{km}^2$  ( $100\text{sq mi}$ ) and density of  $1,400\text{km}^2$

(3,500/sqmi). It is blessed with such rivers like Galma, Gubani, Kamacha, Rafin Albasa and Saye.

**People:** Zaria is a multi-ethnic city (Hausa-Fulani, Kanuri etc.) with other ethnic communities from other parts of the country residing especially outside the city at Tudun Wada, Wusasa, and Gyellesu etc.

The population size in the 1991 Census figure shows that the total population of Zaria Local Government is 277,187 people. However, the council does not agree with the figure, because according to the Council a number of communities were not counted during the exercise, but that of 2006 census show that the total population is 408,198.

**Economy:** The main occupations of the people are farming, blacksmithing and trading. The people are famous in handcrafts, machine sewing and embroidery traditional dressed such as Yar'madaka, Tokare, Aska Biyu, Jabba, Abaya Khall. They have raw industries like Sun seed Nig. Ltd, Zaria Pharmaceutical, Nocaco Nigeria Ltd. Wapafoam etc. Zaria Local government is also blessed with abundant fertile land to grow cash crop such as cotton, yam, tobacco, tomatoes, onions, potatoes, sugarcane, carrots, lotus, cabbage etc.

### **3.3 Financial Management in Zaria Local Government**

Public Financial/Revenue management is defined by the (Chartered Institute of Public Finance and Accountancy 2010) as the system by which revenue management resources are planned, directed and controlled to enable and influence the efficient and effective delivery of public service goals. "This definition also felt to address resource generation planning and review of stewardship on how the resources are utilized. Howard and Upton (1973) defined revenue management as the application of the planning and control function. Revenue management is defined by Pandey (1979) as that managerial activity which is concerned with planning and controlling financial resources.

### 3.4 Tools for Financial Management in Local Government

According to Sabo M. (2015) in Hassan M. (2015) there are many tools in place for effective management of the finances of a local government. It has been confirmed that many local governments have these instruments in place as part of their structural existence. These include:

1. **Personnel:** at the center financial management and control are the Officer charged with the responsibility for proper conduct of financial affairs of the Local Government and ensuring that activities are carried out within the laid down rules and regulations. This class of officers includes those that determined the financial goals of Local Government (executive), those that gives legal authority for financial transactions of the local government (legislative) and those who individually and collectively are responsible for financial transactions of the Local Government (bureaucrats or heads of Departments). All these officers play important role in ensuring that financial management system and control put in place will prevent wastages and misappropriation.
2. **Local Government Financial Memoranda:** Financial Memoranda is an important tool for Financial Management system at Local Government level. It is one single document that has traditionally provided support and guidance in the administration of Local Government Finances. Abubakar (1993) opined that Financial Memoranda provides the basis for effective and efficient financial administration in Local Governments. “Financial Memoranda contains instructions which shall be observed and compiled with by all Local Governments in the States”. Financial Memoranda are designed to do the following:
  - i. Define the precise duties and responsibilities of Local Government, its executive and legislative council as well as those of other service officials in regards to funds, stores and general Financial Management.

- ii. Set out the process to be followed in the preparation and approval of annual and supplementary estimates of Local Government
- iii. Prescribe certain financial organizational arrangement of the local government and procedure in respect of collection and accounting for revenue and controlling and accounting for expenditure.
- iv. Statement of accounting objectives and accounting principles and practices to be followed.
- v. Prescribe the procedure to be followed in regards a number of ancillary matters.
- vi. State the arrangement for internal audit of the accounts of the Local Government.
- vii. Prescribe the main and subsidiary accounting records to be maintained and the statement of accounts to be prepared each month at the end of the financial year.

**3. Budgeting:** Budgeting is another tool for financial management in Local Government administration. Abubakar (1985) “define Budget in its broadest sense as a conscious allocation of resources prepared in advances relating to feature period and based on a forecast of key variable adopted to achieved certain policy objectives which may or may not set explicit performance targets for achievement of objectives relates anticipated expenditure to anticipate revenue and form the basis against which actual expenditure and revenue can be measured and controlled”. Financial Management is mainly about the effective and efficient raising and utilization of funds for meeting the goals of an organization. Financial Management finds operational expression in some budgeting. A budget is statement of intention, intention about spending and raisings of revenue. A budget links financial resources and human behavior to accomplish objective.

**4. Laws Regulating Local Government Finances** There are various laws regulating the financial activities of the government at the local level. These laws are various and cover all facets of operations of Local Government. These laws are:

- i. Financial Memoranda
- ii. Nigerian Constitutions
- iii. The Audit Laws of 1976
- iv. Annual Appropriation Acts
- v. The Financial (control & management) ACT OF 1958
- vi. Decree 43 of 1988- Civil Service Reforms

### **3.5 Service Delivery of Local Government in Nigeria**

Service delivery refers to the provision of social or public goods that will promote socio-economic wellbeing of the citizens. Public service offered by government are numerous and may include the provision of public utilities, security, economic development projects, and the enforcement of the law and so on. The delivery of public goods and services at the local government level or the grass root is aimed at moving the standard of living of the populace to the next level. Angahar, (2013). The Nigerian Constitution assigns service delivery responsibilities to the three tiers of government with states and local government playing the most significant role in the delivery of basic services. Some of the services expected from local government authority include education, health, housing, water, rural electricity, waste disposal services, roads, transport etc. Adeyemi (2013).

#### **3.5.1 The Challenges of Service Delivery at Local Government in Nigeria**

Nigeria is the most populous country in Africa with a population of over 140 million. Amakom, (2009), 64 percent of whom live in rural areas. Local government is the closet tier of government of the people in Nigeria. Yet the resident population in it is denied the benefits of its existence. This is evident in the poor environmental state, deteriorating public school building, poor market facilities and lack of health centers. Olusola, (2011). It was put in place

for reasonable purposes ranging from political, social and economic reasons. These reasons are captured in section 7 (2) of the Nigeria Constitution. Iguisi, (2010). It is quite disturbing over the years that these purposes have not been fully realized. There has been a sustained argument that the 774 local government areas, which from the third tier existence. Local government has not really facilitated rapid development at the grassroots, which is the essence of the creation. Amaechi, (2012). The concept of bringing governance closer to the people through a third-tier participatory form of government has not materialized in Nigeria. Lack of capacity of local government to fulfill the aspirations of their communities are caused by lack of adequate resources, including inappropriate fiscal base, the usurpation of its power to raise internal revenue and the manipulation of the State-Local government account. John, (2012). This development according to Mimiko in Aborishade, (2012) has made people to see the councils as a place where top administrators engage in corruption and an environment where supposed professional had little or no idea of what the councils should be doing. Another reason for the failure of local government in service delivery is the role of the State Governors in the affairs of local government.

The Governors are found of taking over financial allocation, taxes counterpart and refuse to conduct local government elections, but instead ruling local government with appointed administrators, most of whom are party loyalists and their friends and relations turning the entire process of local governments into irrelevance schemes of things. Ukonga, (2012). Yovbi, (2008) has also blamed the people for the failure of local government; he gave the reasons as thus; “lamentably, most Nigerians do not know the specific functions of three tiers of government and tend to put the blame for everything on the most visible tier. Clogged drains in front of their houses are blamed on the Federal Government, while the Chairman of their Local Government will makes away with federal allocations to the area and revenue generated. Usually at the expense and to the discomfort of residents of the LGA. Majority of Nigerians do not see that politics at the Local Government level can be means of honest

livelihood and an opportunity to contribute effectively and meaningfully to the development of society. Therefore, they sit by while those who know even less than themselves, walk away with easy victories won with intimidation and then proceed to abuse citizens and erode the quality of our lives”.

### **3.5.2 Local Government Revenue Sources and Service Delivery in Nigeria**

There are basically two major sources of funds for the States and Local Governments. These are allocation from the Federation Accounts (including VAT, Stabilization and non-tax revenue) Odoko and Nnana ([www.csae.ox.acbooks/epon/fiscal/fedralism](http://www.csae.ox.acbooks/epon/fiscal/fedralism)). Intergovernmental transfers are made from the federal accounts to the states. The funds are meant to provide general revenue to all tiers of government to fund the basic operations where their own revenue would not be sufficient to fulfill such responsibilities. The states then transfer funds to local governments. Allocation of funds in Nigeria is decided by National Revenue Mobilization, Fiscal and Allocation Commission (NRMFAM) based on the criteria to ensure that there is equity in allocation, both vertically between tiers of government and horizontally, across Nigeria. Aniakon (2009)

#### Vertically

Federal Government – 52.7%

State Government - 26.7%

Local Government - 20.6%

#### Horizontally

Equality- 40%, Population- 30%

Internally Generated Revenue- 10%

Land Mass and Terrain - 10%

Social Development factor - 10%; made up of the following items:

Territorial Spread - 1.5%

Rainfall - 1.5%

Hospital beds	-	3%
Value Added Tax (VAT)		
Federal Government	-	15%
State Government	-	50%
Local Government	-	35%

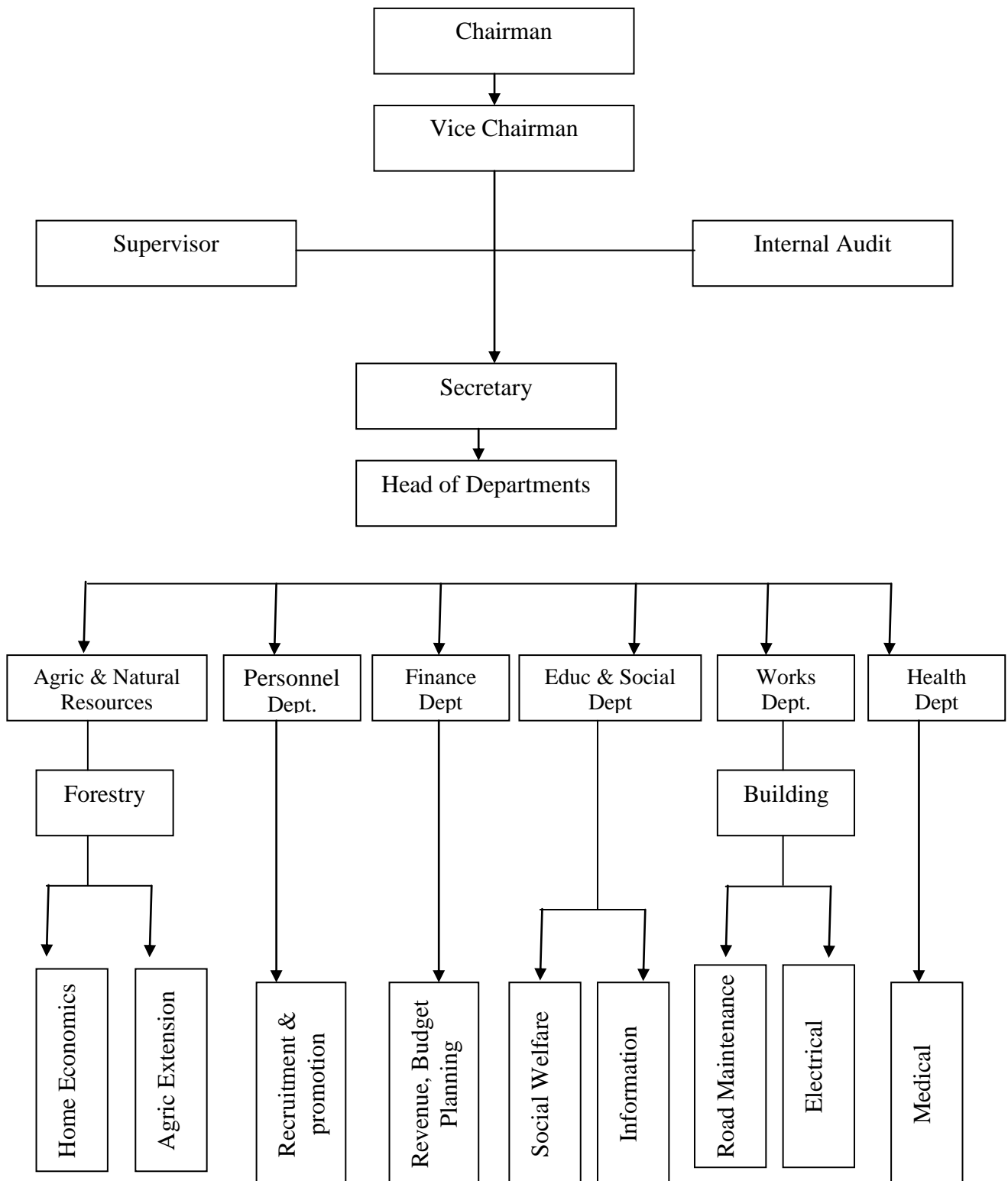
According to Aniakon (2009) since the creation of the 12 States Structure in 1967, States and Local Governments have been dependent on federalism account. The federalism account is shared among the three tiers of government as detailed in the above formula, which was last amended in 2004.

Aniakon further reveals that there is evidence of monthly payments to all tiers of government since 2003 and the above percentage meant for local governments is usually transferred from the federal account to state accounts. However, there is no evidence that state transfers the same percentage of local governments.

**Figure 3.1**

**ADMINISTRATIVE STRUCTURE**

**ORGANISATIONAL STRUCTURE OF ZARIA LOCAL GOVERNMENT**



**Source:** Zaria Local Government Library

## CHAPTER FOUR

### ASSESSMENT OF REVENUE MANAGEMENT IN ZARIA LOCAL GOVERNMENT

#### 4.1 Introduction

This chapter presents and analyzes the relevant materials or data collected from the sources outlined in chapter one. The method of analysis is both quantitative and qualitative from which major deductions or findings are drawn. The chapter is structured into closely inter-related subsections as follows:

#### 4.2 Revenue Mobilization

The data here were collected from the Zaria local government official documents and key officials mentioned in chapter one. As earlier explained, there are two broad major sources of revenues to local government in Nigeria, viz internal and external. Zaria local government is no exception. The table 4.1 shows the total annual revenues that have accrued to the local government within the period under study.

**Table 4.1 ZARIA LOCAL GOVERNMENT REVENUE TABLE  
JANUARY 2007-DECEMBER 2011**

S.N	DETAILS	2007	2008	2009	2010	2011
1	Internally Generated Revenue	4,985,912	NA	20,888,289	NA	30,271,300
2	Allocation From Fed. Account	977,971,794	1,940,408,559	726,326,277	762,519,979	744,480,364
3	Allocation From state. Account	3,550,000	3,700,000	4,000,000	3,000,000	7,000,000
	<b>TOTAL</b>	<b>986,507,706</b>	<b>1,944,108,559</b>	<b>751,214,566</b>	<b>765,519,979</b>	<b>781,751,664</b>

**Source:** Adapted, from Zaria Local Government Revenue Charts, 2014

Table 4.1 shows the internally generated revenue is N4,985,912 while statutory allocations from federal government is N977,971,794 and N3,550,000 from state account in 2007, internally generated revenue from the local government is far below expectations. The

Director of Administration and Finance confirm it during interview that Zaria Local Government has limited sources of internal revenue generation such as rates and fees from business premises, motor parks, abattoirs e.t.c. Poll tax which used to be a major source of revenue to Local Governments had been abolished since the second republic, only civil servants now pay tax, Pay as you earn (PAYE). In 2008 the internally generated revenue was not available but N1,940,408,559 was allocated from the federal government and N3,700,000 from state government showing that there is an increase from statutory allocations from federal government in 2008, while internally generated revenue in 2009 is N20,888,289 and N726,326,277 from the federal government, N4,000,000 from state government a shortfall in statutory allocations against 2007 and 2008. The Deputy Director Revenue when interviewed indicated that adult males no longer pay tax in the northern states or country, it was generally abolished by states like Kaduna and Kano during the (PRP) controlled government in the 2<sup>nd</sup> republic then followed by other states latter and the statutory allocation from the federal government is low.

However, in 2010 the internally generated revenue was not available but the statutory allocation from federal government is N762,519,979 while N3,000,000 is from the state government, in 2011 internal generated revenue is N30,271,300 while N744,480,364 is from federal government and N7,000,000 from state government. From the data, Zaria like most Local Government in the country depends mainly on statutory allocation from the federation account. Internal generated revenues are meager as low as about four million in 2007. According to the Director of Administration and Finance, Zaria Local Government has limited sources of revenue. Appendix 1 for details

### **4.3 Utilization of revenues/expenditures: Contracts Awarded by Zaria local Government Area 2007-2011**

The essence or primary purpose of Local Government is to serve as an instrument of development and democracy at the local level or society. The Zaria like all other Local Governments in the country has attempted to utilize the revenues available to it for the provision of welfare and infrastructural services to its populace. Therefore, the study area generated revenue and received grants from both state and federal government, which was used to carry out the day to day activities of government from year 2007 to 2011.

In the year 2007, Zaria local government generated N4, 985,912 through internally revenue, N977, 971,794 from federal account and N3, 550,000 from state account which amount to N986, 507,706. Out of which N777,122,083 was used for twelve months salaries and N21,122,083 for contracts awarded, such as construction of one block of two class rooms that was awarded on 02/09/2007 at Gaskiya that costs N2,120,000, construction of Ibrahim Madaucin L.E.A primary school, Kufena awarded on 28/09/2007 at a cost of N1,450,000, construction of dispensary at Dembo that costs N2,060,000 awarded on 10/08/2007 e.t.c see appendix five.

Both salaries and contracts awarded in the year 2007 costs N789, 244,166 out of N977, 971,794 generated and received in the local council. Thus there was no account for N179, 727,628 in the study area. In the year 2008, there was no record for the internally generated revenue, but the grants from state and federal government was N1, 940,408,559. The salaries paid throughout that year was N775,774,820 and contracts awarded costs N7, 744,820, such as construction of clinic awarded on 24/02/2008 at Limancin kona that costs N3,500,000, renovation of two blocks of class rooms awarded on 18/08/2008 at Wuciciri which costs N259,820, construction of drainage awarded on 06/04/2008 at Kaura that costs N2, 2335,000 and renovation of market awarded on 10/06/2008 at Tudun Wada that cost N1 ,650,000.

Therefore the total amount of the contracts awarded in the year 2008 was N7, 744,820. There was no account for N116, 466,374 by the end of the 2008 see Appendix 2. However, 2009 ended with a different record, where Zaria local government spent more than what they generated and collected from two other sources i.e. federal and state grants. The internally generated revenue for that year was N20, 888,289, allocation from federal account was N726, 326, 277 and that of state was N400, 000 which amount to N751, 214, 560. The salaries paid through out that year was N770,389,054 and the contracts awarded costs N26,389,054, which includes construction of local government Guest house awarded on 02/03/2009 at Kaura which costs N6,739,054, purchase of supply of 5000/33KVA Transformer given on 09/01/2009 at secretariat Kwarbai-A that cost N3,400,000 supply of school furniture awarded on 09/06/2009 at Gyellesu which cost N7,350,000 etc. See appendix five for more break down.

The total amount of what generated internally and allocations from two other levels was N751, 214,566 and N796, 778,108 was spent. There was no source for N45, 563,542. In the year 2010, there was no record from internally generated revenue, but allocations from state and federal government was N765,519,979, 734,038,729 was used for salaries and N26,038,728 was paid for the contracts awarded, which includes rehabilitation of road in Tukur-Tukur awarded on 05/01/2010 that costs N5, 940.215, drilling of 2 boreholes at Kaura awarded on 20/01/2010 which costs N1,980,000, renovation of basic health center in Dambo awarded on 06/04/2010 which costs N2,401,950 etc. see appendix five for more break down. The total amount for salaries and contracts awarded was N760, 077,457 out of N765, 519,979. Thus, there was no record for N5, 442,522 in the year 2010.

However, in the year 2011 the total amount for the internally generated revenue and allocations from two other sources was N781, 751,664. N637, 183,889 was used for salaries and N13, 183,899 for the contracts awarded which includes renovation of slaughter slab in Wuciciri awarded on 9/03/2011 that costs N450, 000, renovation of market stores at Gyellesu

awarded on 10/07/2011 which costs N650, 000 purchase and supply office equipment in Kwarbai-A awarded On 14/05/2011 which costs N3, 532,899 etc. see appendix five for further break down. The costs of salaries and contracts awarded was N650,367,798 out of N781,751,664 remain N131,383,866 which there was no record for it.

Therefore, it can be deduced from the above that there are mismanagement, cover in the governments' affairs, embezzlement of public funds, reliance on external sources for the day to day activities of government, poor methods of revenue generation, misappropriation etc. in the study area. In an interview an informant disclosed to the researcher that there is a serious mismanagement and misappropriation in the study area. The officials are busy inflating the contracts for their kickbacks and most often not the urgent need of the people, but what they thought people are in need of, majority of them are busy enriching themselves with public fund.

Over reliance on federated fund or statutory allocation constitute a challenge to LG administration in Nigeria. Hardly could any Local Government in Nigeria function effectively without receiving monthly allocation. The Fourth schedule of the 1999 constitution clearly stated the functions of LG and sources of revenue which are not effectively tapped to the advantage of the system. These include that the state government have taken over most of the juicy sources of internally generated revenue including large markets, naming of street, and tenement rate among others. In addition, the 10 per cent of the internally generated revenue of the state government were not often remitted to LG. All these factors to a large extent strangulated the LG form effective service delivery (Ibok, 2014 and Abada, 2007).

Corruption is a household word in Nigeria and it has become a hydra headed monster difficult to tame and has endangered service delivery and democratic participation in Nigeria as votes are bought and sold. This explains why Ejike (2014), Kyenge, (2013), Aluko (2006) and Aina (2007) located corruption as one of the greatest impediments of effective service

delivery at the local government level. (Aina 2006) noted that: Almost every council position, whether of elected council or appointed staff, has its salary and also its additional income through corruptive activities. Corruption and bribery fit into internal and external political conflicts in the council. Infact, they form a major political aspect of local government.

Corruption in LGs manifests as outright falsification of financial transaction, inflated contracts, existence of ghost workers, and connivance with states' apparatus that are supposed to perform oversight functions. Gone are the era of 10 per centers in contract award, the dangerous trend isoutright payment for jobs not done. The greatest challenge in addressing corrupt practices in the LG by the state government is that the search light was not often beamed on identifying culprits but directed largely after political opponents immediately after a change of government to settle political scores.

This does not remove the fact that such operatives might be actually corrupt but the effort was not to clean the whole system. Hence, the palliative selective justice could not wipe away institutional corruption in the LG system like in the higher levels of government in general. Corruption in effect breeds inefficiency, raises transaction cost and it has become infectious in Nigeria as the institutions like Independent and Corrupt Practices Commission (ICPC) and The Economic and Financial Crimes Commission (EFCC) have not recorded sufficient result in checkmating corrupt practices. Hence Akanbi (2004) in Aina (2007) argues that systemic corruption leads to poor governance, undermines institutions and hinders development which is central to the existence of LG. In addition, it erodes social values and lead to ethical decay as observed by Animashaun (2007) in Aina, (2007).Table.4 presents Summary of Planned (Executed and None Executed) Projects by Zaria Local Government. 2007 – 2011.

**Table. 4.2 Summary of Planned (Executed and None Executed) Projects by Zaria Local Government. 2007 – 2011**

<b>Year</b>	<b>Total No. of Planned Projects</b>	<b>Total No. of Executed Projects</b>	<b>Percentage of Executed Projects Against Planned Ones</b>	<b>Reasons for Non Execution</b>	<b>Spread of Projects Evenness</b>
2007	15	7	46.6%	Insufficient fund allocation from fed. Government	Evenly Spread
2008	4	4	100%	All Executed	Not in one place
2009	5	2	40%	Insufficient fund allocation From fed. Government	Not evenly spread
2010	14	5	35.7%	Poor internally generated revenue	Not evenly spread
2011	7	2	28.5%		Not evenly spread
<b>Total</b>	<b>43</b>	<b>18</b>	<b>250.8%</b>		

**Source:** Zaria Local Government Works, Finance and Administration Department, 2014

Table 4.2 shows the number of planned, actually executed and not executed projects, reason for non-execution and distribution within the local government. The Director of Administration and Finance confirmed information contained in the table during interview, that in 2007, 15 projects were planned to be executed, 7 projects were truly executed and completed which represents 46.6% though these projects were evenly spread, they were not concentrated in one ward, The Deputy Director revenue during interview confirmed that

insufficient fund was the factor responsible for the inability of the local government area to complete the projects. While in 2008 only 4 projects were planned and executed represents 100%, the reason was disclosed by the Director of Finance and Supply who say it was serious commitment that paved way for that. In 2009 it can be seen that only 5 projects were planned for the whole year out of which only 2 were executed representing 40%.

However in 2010 it is clearly indicated that only 35.7% of the planned projects were executed, while in 2011, 7 projects were planned for the year but only 2 out of these projects representing 28.5%. This indicates corruption and poor management in Zaria local government.

#### **4.4 Public Assessment of Revenue Management**

This sub-section presents and analyzes public opinion or assessment of how Zaria Local Government managed the revenues available to it, Data was obtained through questionnaire, interview, and personal observation and knowledge of the area.

**Table 4.3 Distribution of Respondents by Gender**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Male	257	67.5
Female	124	32.5
Total	381	100.0

---

Source, field work 2015

Table 4.3 shows that out of a total of 381 respondents, representing 67.5% were male while 124 representing 32.5 were female. This indicates that majority of the respondents were male

because male are more accessible than the female counterparts in the area due to religious factor and cultural beliefs.

**Table 4.4 Distribution of Respondents by Age**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
18-29	87	22.8
30-39	191	50.1
40-49	62	16.3
50 & above	41	10.8
Total	381	100.0

Source, field work 2015

Table 4.4 Shows the age distribution of respondents. 87 representing 22.8% are within 18-29 years, while 191 representing 50.1% fall within the ages of 30-39 years as against 62 representing 16.3% that are within the age of 40-49 years and 41 representing 10.8% are 50 years and above. This shows that most of the respondents are youths 18-40 years constituting 77.9%.

**Table 4.5 Distribution of Respondents by Marital Status**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Married	277	72.7
Single	84	22.1
Divorced	20	5.2
Total	381	100.0

Source, field work 2015

The table 4.5 revealed that 277 (72.7%) are married while 84 representing 22.1% are single and only 20 i.e representing 5.2% are divorced. It is clear that married people constitute the

major respondents of the target population because early marriage is common, both genders (i.e. female and male) are mostly married especially 20-39years.

**Table 4.6 Distribution of Respondents by Qualification**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Primary school	63	16.5
O level	200	52.5
Tertiary	97	25.5
Others	21	5.5
Total	381	100

Source, field work 2015

On the educational level of the respondents as exhibited in table 4.6, 63 representing 16.5% attended primary school, while 200 representing 52.5 were able to study up to O level, 97 representing 25.5% studied up to tertiary level and others constitute 21 (5.5%). Table 4.7 reveals there is a fair level of western education in the Local Government. This is not surprising because Zaria generally characterized by many educational institution at both the ordinary and tertiary levels. At the latter, institutions include Ahmadu Bello University, Federal College of Education, Amir Shehu Idris College, Nuhu Bamalli Polytechnic, Nigerian College of Aviation Technology, Nigeria Military School etc.

**Table 4.7 Distribution of Respondents by Occupation**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Civil servant	31	8.1
Farming	22	5.8
Business	140	36.7
Student	116	30.4
Unemployed	72	18.9
Total	381	100.0

Source, field work 2015

Table 4.7 shows that 8.1 of respondents are civil servants while 22 representing 5.8% are farmers and 140 representing 36.7% are doing business and 116 30.4% are students and 72 representing 18.9% are unemployed. This clearly indicates that business and students constitute the majority of the respondents.

**Table 4.8 Distribution of Respondents by Approximate Monthly Income**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Below N10,000	167	43.8
N11,000-N29,000	143	37.5
N30,000-N49,000	34	8.9
N50,000-N100,000	15	3.9
N100,000 & Above	22	5.8
Total	381	100.0

Source, field work 2015

Table 4.8 shows the level of estimated monthly income of respondents. A total of 167 representing 43.8% earn below N10, 000 while 143, representing 37.5% earn between

N11,000 – N29,000 monthly, 34 (8.9%) earn between N30,000 – N49,000 monthly against 15 (3.9%) whose monthly income is between N50,000 – N100,000 22(5.8%) earns N100,000 and above. Table reveals that more than 80% of the study population has less than N30, 000 as their monthly income, which they manage to, sustain themselves, their immediate families and therefore incapacities to pay tax and levies.

**Table 4.9 Distribution of Respondents by Tax Payment**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	94	24.7
No	287	75.3
Total	381	100.0

Source, field work 2015

Table 4.9 Indicates that 94 representing 24.7% of the respondents admitted regular tax payment while 287 representing 75.3% says no. Because those that pay tax are mostly civil servant and business groups.

**Table 4.10 Distribution of Respondents by Why they pay Tax/Levy**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
No response	287	75.3
For its development of LGA	94	24.7
Total	381	100.0

Source, field work 2015

Table 4.10 revealed that 287 representing 75.3% of the respondents did not respond to the question. While 94 representing 24.7% saythey are paying levy because of the development

of their community. This indicate that majority are not in support of paying levy in the study area, because they are not satisfied with the government activities and management of public funds.

**Table 4.11 Distribution of Respondents by their Knowledge of the Sources of Revenue to Zaria Local Government .**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Tax/Levy	101	26.1
Market / Business rates	31	8.1
Motor Parks	49	12.9
Allocation from state account	50	13.1
Allocation from federal account	111	29.1
All of the above	39	10.2
Total	381	100.0

Source, field work 2015

Table 4.11 shows that a total of 101 representing 26.5% of the respondents believe that Zaria Local Government obtains revenue from taxes while 31 representing 8.1% believe that Zaria Local Government obtains its revenue from market/business rates as against 50 representing 12.9% from motor parks while 50 representing 13.1% is allocation from state and 111 representing 29.1% is from federal account, 39 (10.2%) is all of the above. It means that Zaria local government do not have adequate sources of internal revenue. It depends highly on federal and state governments for capital projects. In an interview a local government official disclosed to the researcher that any government that cannot raise fifty percent of capital needed for it projects on day to day activities is a weak government. It means that Zaria local government is a weak government.

**Table 4.12 Distribution of Respondents Views on Zaria LGs Internal Revenue Drives.**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Excessive	141	37.0
Fair	208	54.6
Unfair	32	8.4
Total	381	100.0

Source, field work 2015

Table 4.12 indicates a total of 141 of the respondents represent (37.0%) consider Zaria Local Government internal revenue as excessive which 208 representing 54.6% consider it fair as against 32(8.4%) as unfair. The implication of these respondents shows that Zaria Local Government Area revenue charges are fair as majority of the respondents indicate.

In an interview with the market traders and drivers they were of the view that it is not the question of either the charges are excessive, fair or unfair but the question of whether the amount charge is able to meet up with the people where necessary in respect to the provision of basic amenities. This is because no matter how much is the charging if it can provide the basic social amenities to the people there is no problem. It is however to be noted that Local Government is created for the community at the grass root level irrespective of whether they paid revenue or not but is there to provide the basic social needs for the people.

**Table 4.13 Distribution of Respondents Based on their support or otherwise for Zaria Local Government Internal Revenue Drives.**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	142	37.3
No	239	62.7
Total	381	100.0

Source, field work 2015

Table 4.13 shows that 37.3% of respondents are in support of paying tax in the study area while 62.7% are not in support of that. It means that majority of the respondents do not see anything positive attached to the payment of taxes in the area of study. In an interview with the resident of the study area, he opined that paying tax in this area is supporting corruption, because there is nothing on ground to show that the previous taxes that have been paid are done with. “Then why should I be paying my money to the thieves”.

**Table 4.14 Distribution of Respondents views on Whether Zaria Local Government is Judiciously using available revenues.**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
strongly disagree	201	52.8
Disagree	10	2.6
Undecided	86	22.6
Agree	72	18.9
strongly agree	12	3.1
Total	381	100.0

Source, field work 2015

The table 4.14 indicates that 52.8% of respondents are of the view that public funds or resources are not being used judiciously (strongly disagreed) while 2.6% also disagree and 22.6% do not decide (undecided), 18.9% agreed that public funds and resources are judiciously being used in the study area while 3.1% strongly agreed. Majority of respondents in the study area belief that public funds are not being judiciously managed.

**Table 4.15 Distribution of Respondents Based on their Awareness of Projects Executed by the L.G.A**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	157	41.2
No	224	58.8
Total	381	100.0

Source, field work 2015

Table 4.15 shows that 41.2% of respondents are aware of the executed or completed projects in the study area while 58.8% of the respondents are not aware of any executed or completed project in the area of study. This indicates the level of poor management in Zaria local government. An interview with one of the revenue managers disclosed that it is always problem for the government of the study area to execute a project that will be directly felt by the residents of the area. They are always after projects that will pave way for them to loot public fund.

**Table 4.16 Distribution of Respondents Views on Sufficiency or otherwise of Revenue to the Local Government for the Execution of Development Projects.**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Quite sufficient	90	23.6
Sufficient	196	51.5
In sufficient	53	13.9
No idea	42	11.0
Total	381	100.0

Source, field work 2015

Table 4.16 shows that 23.6% of respondents are of the view that revenue and allocations to the study area are quite sufficient while 51.5% of them say is sufficient and 13.9% say they are insufficient while 11.0% of them say no idea. An interview with one of the community leaders says there are sufficient funds to run the day to day activities of government in the area of the study but Corruption, mismanagement, favoritism, nepotism and embezzlement of public funds for unnecessary issues are what is paralyzing Zaria local government.

**Table 4.17 Distribution of Respondents Assessment of the Effective Revenue Management Capacities of Zaria Local Government**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	179	47.0
No	202	53.0
Total	381	100.0

---

Source, field work 2015

Table 4.17 indicates that 47.0% of respondents are of the opinion that there is effective management of public funds in the study area while 53.0% of them say no. It means that there is mismanagement of public funds in the study area; corruption and embezzlement of public funds are the reigning activities. A community head opined that there is mismanagement in Zaria local council to the extent that once you have being given a caretaker that will only serve as a ticket of employing, enriching and taking your family to hajj, can you see how corruption and mismanagement has been damaging the future of unborn generation.

**Table 4.18 Distribution of Respondents on Whether Zaria Local Government Area has the Prospects of Improving on Existing Base.**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Yes	191	50.1
No	190	49.9
Total	381	100.0

Source, field work 2015

Table 4.18 shows that 50.1% of respondents are of the view that Zaria local government have the potentials to improve in its revenue management while 49.9% say no. It means that there is still hope for the study area to get better in future if the qualified and the honest people will be employed to the council. In an interview with a local government official he disclosed that if the council will employ the unemployed secondary school leavers to Agricultural Department and engage them in farming for the council, that will give them a farming skills, it will as well bring income to the council.

**Table 4.19 Distribution of Respondents Based on Problems militating against effective Revenue Management.**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
No response/not applicable	64	16.8
Corruption in revenue collection& management	218	57.3
State - LG joint account system	76	19.9
Lack of monitoring/supervision of revenue collection	23	6.0
Total	381	100.0

Source, field work 2015

Table 4.19 indicates that 16.8% of respondents have no idea about the problems militating against effective revenue management in Zaria local government, while 57.3% of them say

corruption in revenue collection and management and 19.9% say State- Local Government Joint account system, while 6.0% say lack of monitoring/supervision of revenue collection. It means corruption and mismanagement are the major problems militating against effective revenue management in the area of study.

## Research Findings

From the data collected, presented and analyzed the major findings of the study can be stated as follows;

- i. The bulk of the revenues that accrues to Zaria Local Government are expended on administrative overhead cost especially salaries and wages rather than satisfactory service delivery to the people or promoting of socio- economic development. (N.B Factual data and views of key Local Government officials must have been provided in this regards)
- ii. The services rendered by the Local Government are not based on the priority needs of the ordinary populace which implies lack of primary concern with the issue of service delivery or development by Local Government
- iii. Service delivery is characterized by poor or outright non-execution which implies poor management or waste of resources/revenue
- iv. The ordinary populace were full of allegations that Zaria Local Government revenue management is characterized by corruption by key officials (misappropriation and contract awards, project execution etc.)
- v. Public enlightenment campaign was the most effective way of encouraging payers to pay tax in order to generate more revenue to deliver more services.
- vi. State Local Government Joint account contributes negatively to effective revenue management by the Zaria Local Government (whole revenues from federation account do not come to Local Government and when due).

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Introduction

This chapter presents summary, conclusions and recommendations in the light of findings made on the subject studied.

#### 5.2 Summary

This study set out to assess revenue management in Zaria local government from 2007 to 2011. The problematic of the study focuses on the designed objectives of the local government that has brought doubts in their implementation especially as regards to 1976 guidelines this becomes a problem given the high level of management in the country.

The research therefore, sought to ascertain the extent to which Zaria local government council has reached during the period under study, to find out the problems (if any) faced by Zaria local government in its revenue utilization efforts and to examine the measures that need to be taken in order to address all problems of local government. In the course of this research, the researcher examined some works (literature) evaluation was done based on the theoretical framework used for this study (structural functionalism theory). The literature were reviewed thematically on the concept, justification, functions and the state of local governments revenue mobilization and management in Nigeria. It was discovered that the literature reviewed local government's faces a lot of problems in its performance regarding revenue management, these problems ranges from corruption, insufficient fund, and illiteracy of staff of local government amongst others. However, available body of works in the existing literature discusses the nature of problems faced by local governments revenue management. There are still other problems faced by the local government revenue management.

Amongst the literature reviewed none has made efforts towards determining the revenue management executed by the local governments this constituted a gap in the

literature which this study tried to fill. On the basis of the findings from questionnaires, oral interviews, government documents and observation, this study examined data on revenue management using Zaria local government area as a case study between 2007-2011.

The findings of this study revealed that Zaria local government has not been able to perform up to expectation as instrument of revenue management, this is because it has failed in the provision of social amenities like health care services, provision of portable water, provision of fertilizer at subsidized prices and provision of electricity. It was also discovered that the inability of Zaria local government to provide these services is due to poor financial base-caused by the State Government through the State-Local Government Joint Account and its inability to generate revenue internally. This is supported by Egonmwan (2002:229) who aptly observed that in revenue generation local government in Nigeria are therefore limited by law to certain sources of revenue. The constitutional provision for the establishment of State-Local Government Joint account to control local Government funds Ogan (1980) supported this findings saying that “ local governments are made of state government”. Every effort should be made to allow local government councils operate with prestige.

Structural functionalist theory becomes relevant of which the focus is in how important structures are allocated in a political system. Since the political system is an open system, Zaria local government area is an open system influenced by both internal and external environment. Zaria local government receives inputs from both the internal and external allocation in the form of demand and supports. The provision of portable drinking water, health services and other things are the demand the local government also receives support in the form of payment of taxes and rates, obedience to its bye – laws, self-help projects from the residents. These various inputs are converted to output by the local government council.

Zaria local government as a system from the data collected has not performed up to expectation, the provision of social services like portable water, Health care, provision of fertilizer at a subsidized price and so on.

On the performance of Zaria local government, the people leaving in the area are complaining about inability of the local government council to perform its expected roles. It has also been established by this study that the few projects executed by the local government are not evenly spread to all part of the local government. In the foregoing findings imply that Zaria local government has failed in its performance interns of revenue management, this is due to reasons stated above.

### **5.3 Conclusion**

Based on the findings of this study, the following conclusion are. The revenue available to the Zaria LGA has not been utilized judiciously for development that could have enhanced and improved the living standard of people in the local level.

This is because of the fact that the management strategies is full of problems, Ranging from corruption, poor management and lack of responsible leadership in the Zaria LGA.

Nevertheless, it could be noticed that the population of Zaria local government and the available source of revenue are many, But the utilization process have become the source of concern. There is need to improve the situation as long as Zaria LGA wants to deliver certain service to its local citizen without only relying on external source of revenue but also internal.

## 5.4 Recommendations

The following recommendations are proper for the improvement and management strategies in Zaria L.G.A.

1. Federal Government should ensure that local governments are adequately funded and these funds should be transferred directly to the local governments account to prevent the state from having access to these funds.
2. Competent and trustworthy revenue collectors should be used to collect revenues from the people.
3. The joint state-local government account should be abolished, this is for the allocation from the federation account to be deposited directly into the account of the local government without state interference.
4. The activities of Economic and Financial Crime Commission should be extended the local government level in order to investigate the expenditure of funds allocated to the local government at the end of every financial year.
5. Projects committees should be set up in every Local Government with each ward Represented so as to determine the evenness of executed projects, this will lead to even development
6. Service delivery should be based on the priority needs of the people.
7. Need for the reduction of the levels of poverty and unemployment in order to enhance economic empowerment of the people which in turn enable the Local Government generate more internal revenue through taxes, levies and rates.
8. In order to ensure that tax payers pay their taxes as at when due, a public enlightenment campaign should regularly be organized explaining the importance of paying tax not only for revenue generation but also for service delivery.

## REFERENCES

- Abbass, I.M. (2010). *State, Class and Management of Local Government in Nigeria*, Zaria; ABU Press Ltd.
- Abubakar, H.I. (2002). "Local Government Finance in Nigerian Revenue Rights and Fiscal Jurisdiction" National Workshop on the Revie of 1999 Constitution, Office of the Vice-President of Nigeria, Abuja.
- Aborishade, O. (2012). Effect of Local Government Financial Information Communication on Transparency, Citizenry Participation and In structural Development: *The Nigerian Journal of Public Affairs, Vol. xii, No. 1, June 1993*
- Adebayo, A. (1970). "Financing Local Government in Nigeria" in A. Adedeji A. and Rowland, L (Ed) *Local Government Finance in Nigeria*. Ile-Ife, University of Ife Press.
- Adedokun, A.A (2004). *The Development of Local Government in Nigeria since \_Pre Colonial Era to 1999 Constitution*. Polycorn 2 .
- Adewumi, J.B (1987). *Rural Transformation in Nigeria: DFFRI and Local Government*. Institute of Administration. ABU, Zaria.
- Adeyemi, O (2013). Local Government & Challenges of Service Delivery. The Nigeria Experience. *Journal of Sustainable Development in Africa* 15 (7)
- Akindele, S.T, Olaopa, O.R and Obiyan, A. S. (2002). *International Review of Administrative Sciences*.
- Ameh, I.O.(2003). "Unique Problems of Local Government" in Denga D.I. (Ed) *Local Government Administration in Nigeria: Past, Present and Futuristic Projections*. Calabar: Rapid Educationer Publisher.
- Amaechi, C.R. (2012). Local Government and the Challenges of Service Delivery. [www.jsd/africa.com](http://www.jsd/africa.com)
- Angaha, A.P. (2013). The Impact of Existing Intergovernmental in Financial Relation on Effective Service Delivery at the Grass-root in Nigeria. *International Journal of Academic Research in Accounting, Finance Management Science (IJSR)* 3(7)
- Bekker, K. (ed) (1996). *Citizens Participation in Local Government*. Pretoria: J.L. Van Schaik Publishers.
- Bello Imam, I.B. (Ed) (1990). *Local Government Finance in Nigeria*, Ibadan NISER.
- Bello-Imam B.I. (1996). *Local Government in Nigeria. Evolving a Third Tier of Government*. Ibadan: Heinmann the Educational Books.
- Bello-Imam I.B. (1990). *Local Government in National Development in the Nineties*. Paper presented at the 6th General Assembly of the Social Science Council of Nigeria (SSCN) University of Nigeria. Enugu.

- Bello-Imam, I.B. (1985). *Financing Municipal Governments: The Case of Nigeria Local Government Councils*. Nagalock, New Delhi.
- Bello-Imam, I.B. (2001). "Financial Transfer" in Bello-Iman I.B. (Ed) *Local Government Finance in Nigeria*. CLGARDS! University of Ibadan.
- Bennet, R.J. (1990). : *Local Governments and Markets*. London. Clarendon Press.
- CBN (2010), Annual Report and Statement of Account, Abuja, Nigeria, Central Bank of Nigeria.
- CBN (2011), Statement Bulletin, Abuja, Nigeria, Central Bank of Nigeria.
- Dele Olowu. (1983). "Local Government and Rural Development. In Nigeria". The Nigerian Journal of Local Government Studies (Ed.) Vol. 1 No.1.
- Denga, D.I. (2003). "*Financial Management in the Local Government: Sources and Utilization of Revenue*" in Denga D.I. (Ed) *Local Government Administration in Nigeria: Past, Present and Futuristic Projections*. Calabar: Rapid Educationer Publishers.
- Dlakwa, H.D. (2001). "Poll Tax" in Bello-Iman, I.B. (Ed) *Local Government Finance in Nigeria*. NISER.
- Egonmwam, J.A. (2002). *Reinventing Local Government in Nigeria: A Keynote Address at the Institute of Public Policy and Administration (IPPA), University of Calabar, Calabar*.
- Ekpo, A and Ndebbio, J. (1998). *Local Government Fiscal Operations in Nigeria*; AERC Research Paper No. 73, African Economic Research Consortium, Nairobi, Kenya.
- Emezi, C. E. (1983). "The Changing Patterns of Local Government in Nigeria". The Nigerian Journal of Local Government Studies, Vol. 1 No. 1, Department of Public Administration, Faculty of Administration, University of Ife.
- Emezie, C.E. (1986). *Comparative Local Government and the Nigerian Experience*. Ife: Ile-Ife O.A.U. Press.
- Enemuo, F.C. (1999). "*Decentralization and Local Government: Models, Principle and Purpose*". In Anifowose, R. and Enemuo F.C. (Ed) *Elements of Politics*, Lagos: Malthouse Press.
- Enyi, J.E. (2004). "The Budget as a political and management Tool at the Local Government Level" in *Nigerian Journal of Political and Administrative Studies* vol. 1 No. 1.
- Eronini, A. and Bello-Iman I.B. (2001). "*User Fees and Changes*" in Bello-Iman IB (Ed) *Local Government Finance in Nigeria*. NISER.
- Federal Government of Nigeria (1999). *The Constitution of the Federal Republic of Nigeria*.

- Federal Government of Nigeria (FGN) (1976). *Guidelines for Local Government Reform*. Government Printers, Kaduna.
- Federal Military Government of Nigeria (1984). *Local Government Report* by the Committee on the Review of Local Government Administration in Nigeria, Lagos.
- Federal Republic of Nigeria (1976). *Guidelines for Local Government Reforms*: Government Printer, Kaduna.
- FRN (1974) Ministry Of Local Government And Clifffancy Affairs . Ibadan Circular.
- Ganduje, A.U. (2008). *Democracy and Local Government Administration in Nigeria*, Ibadan; Spectrum Books Ltd.
- Gboyega, A. (1978). *Political Values and Local Government in Nigeria*; Lagos: Malthouse Press.
- Gboyega, A. (1987). *Political Values and Local Government in Nigeria*. Lagos: Malthouse Publishing Limited.
- Gboyega, A. (1987). *Political Values and Local Government in Nigeria*. Lagos: Malthouse Publishing Limited.
- Gboyega, A. (1995). "History of Local Government Reforms and the Gains Made in Local Government Administration During The Transition Period".
- Gboyega, A. (1996). "Local Government and Democratisation in Nigeria, in the last two decades". Paper presented at the National Conference on Two Decades of Local Government in Nigeria. Held at the Administrative Staff College of Nigeria (ASCON) Topo-Badagry.
- Gboyega, A. (2001). "Property Rate" in Bello-Iman I.B. (Ed) *Local Government Finance in Nigeria*. CLGARDS University of Ibadan.
- Gboyega, A. (2003). "Democracy and Development: The Imperative of Local
- Gboyega, A. (2003). "Democracy and Development: The Imperative of Local Good Governance". An Inaugural lecture, 2003; Ibadan: The Faculty of Social Sciences, University of Ibadan.
- George A and Unwin (1972). "Ronald Wraith Local Administration in West Africa" By Clarke, Doble and Brendon Ltd, Plymouth, Britain.
- Habu, I.S. (1988). "Adminsitrative Reforms and Effective Revenue Administration in Nigeria", in Longe, J.B, et al (eds). The Nigerian Civil Service under the 1988 Reforms.
- Idode, J.B. (1989). Rural Development and Bureaucracy in Nigeria. Ibadan: Longman Nigeria Ltd.
- Igbuzor, O (2007). "Local Government Reform and Constitutional Review in Nigeria", Culled from <http://www.gaji.com/News>.

- Ijere, M.O. (1992). *Leading issues in Rural Development*. Enugu: Acena Ventures.
- Joseph, O.I. (2014). Decentralization, Local Governance and Public Goods Delivery in Nigeria. *International Journal of Public Administration and Management Research*, 2(2)
- Jumare, B. (2008). Analysis of Local Government Revenue Allocations for the Provision of Community Services in Nigeria 1997-2011. Proceeding of the International Conference on Humanities, Sciences and Education ICHE. Worldresearchconference.com
- Kalin, W. (2004). *Decentralization: Why and How?* SDC. University of Berne.
- Kir – Green (1965). *The principle of native administration in Nigeria* , London, Oxford university press.
- Lackward, D. (1968). “*Local Government in Sills*,” D. (Ed) *International Encyclopedia of Social Science*. The Macmillan Company and Free Press Vol. 1
- Lele, M.J. (1975). *The Design of Rural Development Lessons from Africa*. IBRD: WashingtonD.C.
- Mahajan, V.D (2006): *Political Theory* New Delhi; S. Chand and Company Limited.
- Minis, H. and Rodinelli, D. (1989). *Promoting Economic Development and Development Generation Through Decentralization in Senegal*. USAID Working Papers, Mimeo.
- Mobongunje, A.L. (1980). *The Development Process: A Spatial Perspective*. Huchinson: University Liberty for Africa.
- Munyono, R. (1999). *Decentralization in Uganda: Theory and Practice*. *Institute of Ethics and Development Studies*. African Research and Documentation Centre. Uganda Martyrs University.
- Musa Ibrahim (1999). *Comprehensive Historical Background of Zaria Local Government*. Unpublished
- Nze, F. (1992). “Local Government Revenue Generation in an Attenuated Economy”. A Paper Presented at a Workshop for Local Government Functionaries in Kaduna State, Organized by Green Belt Ventures Ltd, held at Zaria Hotel.
- Odoh, T. (2001). “*The Future of Local Government in Nigeria*” in the *Nigerian Journal of Administrative Studies*, vol.1, No.1, pp.21-23.
- Ola, R.F. (1984). *Local Government Administration in Nigeria*. London: Keagen Paul International.
- Olatunbosun, D. (1975). *Nigeria’s Neglected Rural majority*. Ibadan: O.U. Publishers.

- Olowu, D. (1988). *African Local Governments as Institution of Economic and Social Development*. IULA the Hague.
- Ottong, J.G. (2002). *Local Government as an Agent of Rural Development*. Cabar: University of Calabar Press.
- Owera, G.O (1966). *Local Government finance in Nigeria! Ibadan*, oxford university press.
- Owera, G.O (1963) *Report on the problem of local Government finance in western Nigeria*, Ibadan.
- Oyediran, O. (1988). *Nigerian Local Government Election Process Under Military Rule 1989*. Paper presented at the XIV World Congress of International Political Science Association. Washington D.C. Augus 8th – 1<sup>st</sup> Sept.
- Phillipson. S. (1946) *Report on the Administration and Finance Procedure Under The Constitution*: Lagos, Government printers.
- Roberts, F. O. N. (1997). *Theories of Local Government and the Nigerian Discourse or Real Politik*. NISER Monograph Series No. 9.
- Rodinlli, D.S, Ghana G and Nelli's J. (1984). *Decentralization in Developing Countries: A Review of Recent Experience*, World Bank Staff Working Papers No. 581.
- Sorkaa, A.P. (1999). "Local Government as Third Tier of Government in Nigeria. A Critical Assessment" in *Nigeria Journal of Public Administration and Local Government* Vol. 2 vol. 2.
- Streeten, P.P (1994). *Development Ideas in Historical Perspectives*. Internationale.
- Todaro, M.P. (1977). *Economic Development in the Third World*. London: Longmans Group Ltd.
- United Nations (1961). *Sumer Conference on Local Government*. Cambridge.
- United Nations (1962). *Decentralization for National and Local Government Development*. New York: The United Nations.
- Uya, O.E. (ed) (2002). *Local Government Administration and Grassroots Democracy in Nigeria*. Calabar: University of Calabar Press.
- World Bank (1971). *Rural Development Sector Paper*. Washington D.C.
- Wraith, J.P. (1972). *Administration in Federal System*, London: Hutchinson Educational.
- Wunsch, J.S. and Olowu, D. (1985). *The Failure of Centralized State*. California: ICS Press.

## STRUCTURED QUESTIONNAIRE FORMAT FOR COLLECTION OF DATA

### SECTION A: INTRODUCTION

Department of Political Science &  
International Studies,  
Faculty of Social Sciences,  
Ahmadu Bello University,  
Zaria – Nigeria.

Dear Respondent,

I am a post graduate student of the above university. I am presently conducting a research on the topic “ Revenue Management and Service Delivery in Zaria LGA of Kaduna 2007-2011”.

You should please, assist in answering the questionnaire before you. You are expected to give your honest and sincere views on the questions by ticking the option(s) that bears your view to the questions below. I promised and urged you to be rest assured that all information given here shall be treated with utmost confidentiality and shall only be used for the purpose of this study.

Thanks for your cooperation in anticipation.

*Abubakar Baba Abdulkadir*  
(MSc/Soc-Scie/3988/2009-2010)

### SECTION B: BIODATA OF RESPONDENTS

**Instruction: Please Tick ( ) where appropriate**

1. Gender :(a) Male [ ] (b) Female [ ]
2. Age: (a) 18-29 [ ] (b) 30-39 [ ] (c) 40-49 [ ] (d) 50- and above
3. Marital Status: (a) Married [ ] (b) Single [ ] (c) Divorced [ ]
4. Qualification: (a) Primary School [ ] (b) O - Level [ ]  
(c) Tertiary [ ] (d) Others [ ]
5. Occupation: (a) Civil servant [ ] (b) Farming [ ] (c) student [ ] (d) Trader [ ] (e) Others [ ]
6. Approximate monthly income? (a) Below 10,000 [ ] (b) 11,000 to 29,000 [ ] (c) 30,000 to 49,000 [ ] (d) 50,000 to 100,000 [ ] (e) 100,000 and above [ ]

### SECTION C: THE AVAILABLE SOURCES OF REVENUE BEFORE ZARIA LOCAL GOVERNMENT

7. Tax payment: Yes or No
8. Why they pay Tax/levy: (a) No response [ ] (b) For its development of LGA [ ]
9. Their knowledge of the Sources of revenue to Zaria local government (Tick the ones that you aware of) (a) Sources of revenue [ ] (b) Market/Business Rates [ ] (c) Motor Parks [ ] (d) Allocation from State Account [ ] (e) Allocation from Federal Account [ ] (d) All of the above [ ]
10. Views on Zaria Local Governments Taxes/Levies (a) Exorbitant [ ] (b) Fair [ ] (c) Unfair. [ ]

11. Do you support or otherwise the Local government internal revenue drives? Yes/No

**SECTION D: ZARIA LGA AND REVENUE MANAGEMENT**

12. Whether Zaria Local Government is judiciously using available revenues  
(a) Strongly agreed [ ] (b) Agreed [ ] (c) Undecided [ ] (d) Disagreed [ ] (e) Strongly Disagreed
13. Base on your awareness of the projects executed by the Local Government? (a) Yes [ ] (b) No idea
14. Base on projects embarked upon by the Local Government (a) Electrification [ ] (b) Borehole (c) health care services [ ] (d) Bridges/Culverts [ ] (e) All of the above [ ] (d) None of the above
15. On sufficiency or otherwise of revenue to the local government for the execution of developmental projects (a) Quite sufficient [ ] (b) Sufficient [ ] (c) In sufficient [ ] (d) No idea [ ]
16. Base on assessment of the effective revenue management capacities of Zaria Local Government Area (a) Yes [ ] (b) No [ ]

**SECTION E: PROBLEMS HINDERING EFFECTIVE REVENUE MANAGEMENT IN ZARIA LOCAL GOVERNMENT OF KADUNA STATE.**

17. Assess whether Zaria L.G.A has the prospects of improving on existing base (a) Yes [ ] (b) No [ ]
18. Base on problems militating against effective revenue generation and utilization [ ] (a) No response/ not applicable (b) Corruption in revenue collection and management [ ] (c) State – LG Joint Account System [ ] (d) Lack of Monitoring/supervision of revenue collection [ ]

### **Unstructured Oral Interview Question for Data Collection**

1. What do you think are the major sources of revenue to Zaria local government?
2. In your opinion, how viable is the Zaria local government in terms of revenues?
3. To what extent did you think Zaria local government judiciously manage its available revenues for the discharge of its expected responsibilities i.e. are the projects embarked upon based on the priority needs of the people?
4. In your own view how do you assess the performance of Zaria local government from 2007-2011 taking into cognizance its roles played by the administration in development?