

CHALLENGES OF EFFECTIVE UTILIZATION OF REVENUE AVAILABLE TO LOCAL GOVERNMENT IN NIGERIA

(A CASE STUDY OF IREPODUN LOCAL GOVERNMENT AREA OF KWARA STATE)

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CHAPTER ONE

1.0 GENERAL INTRODUCTION OR BACKGROUND OF THE STUDY

1.1 INTRODUCTION

Nigeria is a sovereign nation. It operates a federal system of government that is, the federal government, the state government and the local government councils. According to Aworom (2012) defined local government as an essential instrument of national and state government for the performance of certain basic services which can best be decided upon the administered local on the intimate knowledge of the need. Conditions and peculiarities of the area concerned. According to Oxford Advanced learner's Dictionary 6th Edition, local government in the organization that is responsible for the government of a local area and for providing services.

There are doubt that effort have been made by government in term of reform measures of the 1976 which placed LGS as a third tier of government and made for the first time to receive revenue from the federation account. Likewise the increasing LGS percentages from the federation account from 10% to 20% in 1989 and 1991 respectively and to 20.60% in 2008.

From the foregoing, the research intends to probe the execution, implementation and service delivery in Irepodun, to match substantive development with revenue generation and utilization. Hence the empirical study into the revenue base of the local government system at this harsh economic period is not only useful but very vital. It is therefore against the background that this project work is being undertaken with a view to discovering the challenges of effective utilization of revenue to available to local government in Nigeria with particular reference to Irepodun Local Government Area.

1.2 STATEMENT OF THE PROBLEM

The relevance of the local government council as the government at the grass root level is measured by the quality and quantity services rendered to the rural dwellers.

For the council to render meaningful services, in form of provision of basic amenities, construction and maintenance of road, creation of employment opportunities for the citizens and pay staff salaries as at when due, money is undoubtedly required.

Without the availability of revenue, a local government council will not only be incapable of serving the people but will undoubtedly crumble. It therefore, follows that for the local government to discharge its statutory function effectively, it should not only be adequately funded but such fund should be efficiently applied.

1. One of the fundamental challenges in local government finance administration is the issue of effective utilization of Revenue Available to the Local Government. Irepodun Local Government Council may have its unique problems that militate against its financial administration.
2. The problem of delay in payment of federal/state government grants to the local authorities.
3. The challenges of accountability in the local government council.
4. The problem of ineffective financial control and management both internally and externally.
5. Finally the problem of corruption as stated by Oluwale (2002) militate against the utilization of local government revenue.

1.3 PURPOSE OR OBJECTIVE OF THE STUDY

The central focus study is to critically analyze the challenges of effective utilization of revenue available to Irepodun local government area as a case study.

1. To find out whether or not the revenue is adequate for the council expenditure.
2. To investigate the system of financial control in the local government council.
3. The study is meant to identify the major revenue sources available to local government.
4. To ascertain the challenges that confronts the council administration in utilizing revenue for their services.

1.4 SIGNIFICANCE OF THE STUDY

The significance of any human endeavor is measured by its relevance to solving human problems.

Therefore, the significance of the study is measure by its relevance to solve the problem of effective utilization of revenue available to local government in Nigeria.

The project will be of benefit, first and foremost to the Irepodun Local Government administration as it will expose them to potential sources of generating of revenue internally.

Secondly, it will help the council to strengthen its financial bases as this study would highlight some identified problem hampering the utilization of revenue in the council.

Thirdly, it will also be useful to the indigenes of Irepodun local government to cooperate with the local council administration to enable them build a viable local government by paying their taxes rates promptly.

Fourthly, the project will be useful to various institutions especially for gaining greater knowledge and understanding of the challenges of effective utilization of revenue available to local government.

Finally, the project will be useful to the general public, Organization, companies etc.

1.5 SCOPE OF THE STUDY

This is centered on the challenges of effective utilization of revenue available to local government in Nigeria but due to the wide or vast nature of Nigeria, the researcher now choose Irepodun Local Government as a case study to deal with this particular challenges in other local government in Nigeria. The study is also centered on the sources of revenue available to local government both the internal and external sources of revenue.

1.6 LIMITATION OF THE STUDY

In the effort of carrying out this research bathe researcher was faced with the problem of time, finance and visitation of Irepodun Local Government, the case study of the research work.

The researcher being a student found it difficult to get exist out of the school premises and the time frame given was so limited in carrying out the research work. Also the distribution and collection of the questionnaire to the staff of Irepodun Local Government was not easy for the researcher as the respondents were not always available.

1.7 ORGANIZATION OF THE STUDY / PLAN OF THE STUDY

This project work has been subdivided into five chapters.

CHAPTER ONE: - deal with general introduction of the study or background of the study, introduction, statement of the problem, purpose or objective of the study, significance of the study, scope and limitation of the study, organization of the study / plan of the study, definition of terms and references.

CHAPTER TWO: - contain literature review, introduction, theoretical frame work, current trend in thinking, summary of the chapter and references.

CHAPTER THREE: - discuss methodology / research method, introduction, sample and population of the study, sources of data / data collection instrument, method of data analysis, research problems and references.

CHAPTER FOUR: - contain data presentation / analysis and interpretation of finding, introduction, brief history of the case study, presentation of data, analysis of data, summary of the chapter and references.

CHAPTER FIVE: - analysis summary of finding, recommendation, conclusion, references and bibliography.

1.8 DEFINITION OF TERMS

Some concepts and term require proper explanation or definition to enhance our understanding of the theme where necessary opinion of scholar will be cited to illustrate the terms.

UTILIZATION

Is the primary method by which asset performance is measured and business success is determined.

In base term, it is measure of the actual revenue earned by asset against the potential revenue they could be earned.

LOCAL GOVERNMENT

Aworom (2012) defined local government as an essential instrument of national and state government for the performance of certain basic services which can best be decided upon and administered local on the intimate knowledge of the need, conductions and peculiarities of area concerned.

According to Oxford Advanced learner's Dictionary 6th Edition, local government is the organization that is responsible for the government of a local area and for providing services.

Local government also serves as a bridge and channel of interaction between local populations and the central arena of government.

REVENUE

Is the income that a business has from its normal business activities, usually from sales of goods and services to customer.

Revenue is also referred to as sales or turnover. Some companies receive revenue from interest, royalties or other fees.

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CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 INTRODUCTION

Successful research depends on a well planned and through review of the relevant literature available and such a review usually entails obtaining useful references or sources. Literature is reviewed for the following reason. To obtain perspective on the most recent research finding related to the topic of the search, to obtain an indication of the best methods, instrument of measurement and static, which can be used; to improve the interpretation of ones, own research result, and to help determine the actuality of research on a particular topic. The purpose of this review is to interrogate the challenges of effective utilization of revenue available to Local Government in Nigeria, with focus on Irepodun Local Government Area of Kwara State.

2.2 THEORETICAL FRAMEWORK

This research work Employs Classical Administrative Theory An Early form of Organization theory pioneered mainly by Henri Fayol (1841 - 1925) which was concerned principally with achieving the most national task specified by the organization. Fayol was concerned mainly with the business management, although he himself make it clear that his idea about management were intended to apply to all formal organization including political and religious undertakings. In application to this study. Most of the time the reason for the ineffective utilization of revenue especially at the

local government area as a result of workers not been treated as human being they are instead as machine.

Federal or state governments sometimes forget that local government area exists. Apart from the statutory allocation federal or state government do not put into consideration the well being of the people at the helm of affairs in the local level even at time the so called statutory allocation that comes from the federal is being stopped or withheld by the state government thereby making the manager of the local government revenue to be tempted to touch and utilize the revenue to solve their own personal problems instead of utilizing it to developing the local government area. For the local government to function effectively in the area of effective utilization of revenue for substantive development, there are two things that should be put into consideration.

- (i) The goal, motivation and value of the people in the local level especially those at the helm of affairs should be considered.
- (ii) The revenue allocation formular should be reviewed; a large percentage of the revenue allocation should go to the local government in order to enhance grass root development.

1.3 CURRENT TREND IN THINKING

FUNCTION OF THE LOCAL GOVERNMENT COUNCILS

The local government constitutes the third tier of government in the country. It is in partnership with the federal and state government in making live worth living for the people in the rural areas.

According to the Nigeria year book of 1981, it is believe that local government is fundamental to building a stable government not just at the state but also at the federal level through representative councils established by law, the councils exercise, specific responsibilities within defined areas.

The main function of the local government function are set forth in the 4th section 7 of the constitution of the federal republic of Nigeria 1999. Local government function are broken down into three (3) major broad categories:

-

Law and order functions, mandatory function and permissive functions.

(a) LAW AND ORDER FUNCTION

Local government maintain law and order in their domain by

- (i) Reporting any act that is likely to result in breach of peace to the community.
- (ii) Prevention of breach of peace.

(b) MANDATORY FUNCTION

There are function that are exclusively preserved for the local government and they include: -

- (i) Provision of market, motor park and their subsequence maintenance
- (ii) Construction of local roads within its area of jurisdiction
- (iii) Control of hoarding
- (iv) Control of keeping animal
- (v) Collection of community tax, property, and other rates death duties etc.

- (vi) Control of land held under customary tenure
- (vii) Collection of vehicles per charges
- (viii) Naming of roads, streets and the number of lot and building.

(c) PERMISSIVE FUNCTION

These are function specifically meant for local government but, where the fund for such function is not available, state or federal government can perform such job.

They include: -

- (i) Provision and management of nursery, primary and adult education.
- (ii) Provision of public libraries and reaching rooms.
- (iii) Control of water and atmospheric pollution
- (iv) Regulation and control of building
- (v) Control of beggars, prostitution and repatriation of destitute
- (vi) Fire services
- (vii) Health centers, maternity centers, dispensaries and health clinic, ambulance services, leprosy centers, prevention health services.

Local governments have the permissive function in the hand of the federal and the state government. Their impact has not been seriously felt in the area.

SOURCES OF REVENUE TO LOCAL GOVERNMENT

In order to strengthen the local government administration sources of revenue are open to them. However, Oguma (1996) posted that generally the local government has eight main source of revenue which include: -

- (a) Stationary allocation
- (b) Rates
- (c) Grants
- (d) Fees and charges
- (e) Fines
- (f) Loan and miscellaneous sources

According to the 1976 government reform local government council derived their income from two main sources namely:

1. External sources.
2. Internal sources.

1. EXTERNAL SOURCES

The external sources are made up of the state grant which stand at 10% (ten percent) of internally generated state revenue and the federal government which stand 20% (twenty percent) of distributable pool account. These make up the statutory allocation to the local government finance.

Other sources of revenue include: -

- (a) loan to carryout special project
- (b) value added tax revenue (VAT)
- (c) Grant from state government

2. INTERNAL SOURCES

The internal sources are as follow.

- (a) Licenses, fees and fines
- (b) Commercial undertaking: motor park fees, transport / mass transits services, rent on local government properties.
- (c) Rate tenement, penalty for tenement statement state, state government grants in lien of tenement rate etc.
- (d) Food control: - slaughter and abattoir, bake house license, meat fish, cold room and butchers licenses fees etc.
- (e) Economic: - registration of contractors, petty trader permits, small – scale industries permit, mechanic, welding, electrician.

IMPACT OF THE CHALLENGES OF EFFECTIVE UTILIZATION OF REVENUE

According to Nwankwo (2001) The basic rational behind the creation of local government is to meet the peculiar need of the people at the grass root, it is however pathetic to not that the local government has demonstrated incompetence's in regards to its revenue utilization.

The resultant effect of the challenges of the revenue utilization is that some of this local government end up in financial crises and are unable to tackle the challenges of services delivery and mobilization of both human and material resources required for the functioning and meaningful development of the local government area.

The challenges of effective utilization of revenue available to local government has not created negative impact on the indigenes because their priority needs are not met, thereby, making their standard of living low.

SOLUTIONS OR WAY FORWARD TO THE CHALLENGES OF EFFECTIVE REVENUE UTILIZATION

For local government to utilize their revenue effectively there are some certain step which they need to adopt or take in their various local council.

Firstly, there is need for accountability of the local government. Accountability as the ineluctable quest for control mean that government revenue is often more devoted to avoiding work out comes than to achieve the best one's (Okereke: 2004)

If our local government, Irepodun local government in particular, should take accountability measure or control in all the various department especially in the treasury department effective utilization of revenue will come in place (Nwankwo 2002)

Another way forward to the problem of effective revenue utilization is the financial and budgetary control (Eze 2000) the financial control according to him is based on the old dictum that he who plays the piper dictates the tune. The money used by the local government is supplied by central government and state government.

It is also proper for them to know how the money is being used. The case of joint account between the state and local government as enunciated

in 1999 constitution is an instrument of financial control of local government by the state government.

Budgetary control is a very solid foundation for the control of all financial matter of the local government. This budget contain and consist of all the envisage revenue and expenditure of local government in a financial year.

The principal of checks and balance is another measure by which the local government revenue can be utilized as stated by Axon and Jefferson (2009) Thus principal or check and balance mean that power should be used to check power, that not arm of government should possess absolute power. “This is because power corrupts and absolute power corrupts absolutely” that each of the three tiers of government i.e. the federal, state and local government should acts as a watchdog over the other.

According to Ofoeze (2004) Eradication of corruption in the local government as well as corrupt – free personnel or officer in the local government will ensure effective management of the local government revenue.

Okereke (2004) note, that corruption is not found in the local government, but among the personnel who operates in local government. Although corruption cannot be completely eradicated in the local government council, but should be minimized in a very high rate.

2.4 SUMMARY OF THE CHAPTER

Existing literature on the local government administration, revenue and utilization have tended to generalize the problems and challenges of

local government in Nigeria. While it is true that local government in Nigeria experience similar fate, there is however a need to undertake empirical study to understand the peculiarities of each local government. This study therefore seek to contribute in this regard by analyzing the challenges of effective utilization of revenue available to Irepodun Local Government Area of Kwara State.

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CHAPTER THREE

3.0 RESEARCH DESIGN AND METHODOLOGY

Research design and methodology according to Cohen and Marion (2008) is simply a plan that specifies how data should be collected and analyzed.

In this sense, data is not just mere information, it is information gathered by investigation with the aid of their instrument, techniques and the means. They are clearly identifiable information collected under conditions that are precisely specified and they have meaning only in relation to the particular problem being investigated.

Osondu (2004) defined research as the general approach executing the study. It includes the specification of the type of design and followed in the study.

Research method has to do with method adopted by researcher to collect data, which are relevant to the problem under consideration. The researcher of this project makes use of questionnaire.

Questionnaire according to Saliu (2004) is a common instrument of investigation in a social science.

The questionnaire is a sequence of question designed to collect data on a specific subject, usually from respondents. In some cases the responders fill or complete the questionnaire especially when dealing with literate respondents. However, if the respondents are largely illiterate, the researcher or his agent completes the form.

3.1 INTRODUCTION

This chapter deals with detail and the sources of data collection. To for the aim and objectives of this project data has to be collected to provide basic information for the analysis and interpreting data.

3.2 SAMPLE AND POPULATION OF THE STUDY

The population of the study for this project is Irepodun Local Government Area of Kwara State since the entire population of this area cannot be subjected to the study due to time constrained and financial difficulties being faced it is now suggested to use a particular proportion of sample from the entire population of study, sample size used it to perform entire population of over 100 thousand population. That is, the sample must have almost all the characteristics of the population. Certainly, there are two major types of research sampling. Probability sampling techniques which include accidental and convenience sample, quote, sample judgment or purposive sample and many more.

Having considered the different sampling techniques the research will further utilize stratified random sampling techniques by splitting population into a few homogeneous grouped which consist of random sample taken within each strata. This is so because people of Irepodun Local Government will be divided into six strata level usually on the basis of occupation, sex, religious, age, district (geo distribution on entity).

Technique is adopted for convenience access to information and accuracy of the information gotten.

3.3 SOURCES OF DATA / DATA COLLECTION INSTRUMENT

There are several way of collecting data but the procedure to be selected will depend on the cost, time and nature of the data to be collected.

Two sources of data collective are used in gathering information.

1. Primary data collection: - These are data collected by the researcher from the origin sources for a specific purpose the main advantages of obtaining such data is that the exact infraction needed is obtained.

The method of collecting primary data are observation, survey, questionnaire and interview method.

2. Secondary data collection: - these are data collected from past literature that are already existing, it aids the beginning of research work or sales time and money. It is more easily collected than primary sources of data magazine, textbook, etc. it can also be obtain from internal source such as organizational record and filed manual etc.

INSTRUMENT USED FOR DATA COLLECTION

To make this research work a successful one the following research instrument were used for data collection,

1. Observation: - The research also observe political activities and its environment both locally and global using this as a supplement for other information used.
2. Personal interview: - The researcher also used personal interview method of data collection to gather information personal interview is probably the most popular surveys. This entails a face to face contact

with the respondent but the researcher who ask question that can aid the research work.

3.4 METHOD OF DATA ANALYSIS

The data collected were analyzed using and simple percentages and in some case different method were used for better analysis and interpretation.

Descriptive method was used: - This method has the advantages or merit of bringing more result for the researcher for easy understanding. It gives a clear explanation of all the information received through the questionnaire. Administered percentage: - This allows the researcher to determine the degree of response to the data collected whether it is favourable or unfavourable to the study.

TABULAR METHOD

The data presented were analyzed in tabular form involve the systematic of boxes made up of rows and columns. The process of tabulating responses on the returned questionnaires states with the designed on the returned questionnaires starts with the designs of a large on which there are labeled boxes for each of the possible responses. This method was employed because it enhance or unable easy retrieval of information.

3.5 RESEARCH PROBLEMS

It is not gain saying that there is bound to be problems in the conduct of any research work information (data) as always said is power but it must understand that such a power but it must be understood such a realistic and viable information will not be easy to come by in the conduct of this

research work, the problem were confronted and which now served as impairment to the quick completion work.

- (1) The first problem worth mentioning here is that of time constraint. The time set aside for the gathering or eliciting information (data) compilation and analysis of these data and more importantly to do justice to this research work is very limited because this time has to be shared with other important activities like lecture which must be pertinent to individual sensible student. The available time is information from the respondents.
- (2) Lastly, there is inconvenience in the area of gathering information from the various or numerous respondents due to the secrecy nature of Nigeria people always find it difficult to help researcher when it comes to supplying some sensible or personal information.
- (3) This is often worse when dealing with the illiterate one and those without proper enlightenment about the importance attached or associated with research work.

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CHAPTER FOUR

4.0 DATA PRESENTATION / ANALYSIS AND INTERPRETATION OF FINDINGS.

4.1 INTRODUCTION

In this chapter, effort was made to present and analyze the facts gathered from the respondents. The data presentation and description were guided by the researcher questions, which were first stated after which the data collected with regard to each of the questions were descriptively analyzed in tabular form, on hundred and ninety five (195) questionnaires were distributed to the respondents and one hundred and seventy eight questionnaire were filled and returned. The researcher used the one hundred and seventy eight (178) questionnaires for her analysis. The researcher also used simple percentage.

4.2 BRIEF HISTORY OF THE CASE STUDY

According to the Leo Dare (1987) local government is created in order to bring government nearer to the people and the local government nearer to the people and the local government performed a number of essential functions of facilities to the development of the community. This definition helps us to know a little way local government was created. Irepodun local government was created, local government of kwara state is no doubt one of the oldest and first generation of local government metamorphosed from defruit Igbomina / Ekiti division which government ondo state, Osun state, Kogi state.

The main religions of the people of this local government are Muslim, Christianity, and traditional religion and there is also egungun festival (Masquerade) Christmas and Ileya season are highly festival period in Irepodun Local Government.

Both muslim and Christian involve in either of the two festivals. Thus Unique position has been generally responsible for the religious peace, and harmony existing in the area of the Irepodun local government.

4.3 PRESENTATION OF DATA

Research Question 1: Are you aware of the constitutional provision of revenue sources to the tiers of government in Nigeria?

Table 1:

Options	Number of respondents	Percentage (%)
Yes	178	100
No	0	0.0
Total	178	100

Source: Research Survey, 2020.

From the table above it show that all respondent 178 (100%) said yes, that they are aware of the constitutional provision of revenue sources to the tier of government in Nigeria.

Research Question 2: By what means has Irepodun Local Government planned the Expenditure of available revenue?

Table 2:

	Options	Number of respondents	Percentage (%)
A	Budget/Estimate	166	93
B	Embezzlement	12	7
C	None of the above	0	0.0
	Total	178	100

Source: Research Survey, 2020.

From the table 2, it shows that 166 (93%) respondent said budget / estimate is the means by which Irepodun Local Government planned the expenditure of available revenue, 12 (7%) respondents said embezzlement while no respondents choose none of the above.

Research Question 3: What system of financial control measure are used by council administrator?

Table 3

	Options	Number Of Respondents	Percentage (%)
A	Internal audit system	65	37
B	External audit system	33	18
C	Annual financial record	30	14
D	Budget	25	14
E	Inter-departmental checking system	25	14
	Total	178	100%

Source: Research Survey, 2020.

From the table 3 above, it was revealed that 65 (37%) respondents choose internal audit system has the one in use for financial control measure by the council administrator, 33 (18%) respondents choose external audit, 30 (17%) respondent choose annual financial record, 25 (15%) choose budget and 25 (14%) choose inter-departmental checking system respectively.

Research Question 4: Has the utilization of the revenue available to Irepodun Local Government produced positive and negative impact?

Table 4

	Options	Number of respondents	Percentage (%)
A	Positive impact	77	43
B	Negative impact	101	57
	Total	178	100

Source: Research Survey, 2020.

From the table above, it was ascertained that 77 (43%) respondent said that the utilization of the revenue available to Irepodun Local Government produced positive impact while 101 (57%) of the respondent said it was negative impact.

Research Question 5: Which of the following project have been embarked upon in accordance with the budget of Irepodun Local Government.

Table 5

	Options	Number of respondents	Percentage (%)
A	Roads	0	0.0
B	Agriculture	103	57
C	Electricity	3	2
D	Health	9	5
E	Water	51	29
F	Education	10	6
G	Staff salary	2	1
	Total	178	100

Source: Research Survey, 2020.

From the above table, it was revealed that 103 (57%) respondents choose Agriculture, 3 (2%) of the respondents choose Electricity, 9 (5%) of the respondents choose Health, 51 (29%) of the respondents choose Water, 10 (6%) of the respondents choose Education, 2 (1%) of the respondents choose staff salary while no respondent choose roads.

4.4 ANALYSIS OF DATA

From the research question 1, it is revealed that the total staffs of Irepodun Local Government were all aware of the constitutional provision of revenue sources to the tiers of government in Nigeria. One hundred and

seventy eight (178) of the respondent, which represent 100%, gave yes at their response while none of them answered No.

Secondly, the 178 respondent were able to identify the sources of revenue available to Local Government which they ticked to the internal and external sources of revenue and thirdly, the respondents equally mentioned how Irepodun Local Government raises its internally generate revenue, which is through investments, taxes, fees, fines, on Local Government most of the respondent, under the sub-question noted that due to the inadequate of the internally generated revenue, the council depended more on the federal and state allocation, grants from both the state and federal government as well as Value Added Tax (VAT) which made up the external revenue sources.

From Research Question 2 166 respondent, representing 93% identified budget/estimates to both the mean adopted by Irepodun Local Government Council in planning the expenditure available revenue while 12 respondent representing 7% identified embezzlement to be the means. This is to say that budget estimate which have the highest percentage, is the mean used by the council to plan its expenditure but few of the respondents still do not agree with that.

According to the sub-question analyzed. The available revenue of Irepodun Local Government is adequate, thought not up to the expected that there is embezzlement of revenue in the council administrators to enhance accountability on the part of those entrusted with the council revenue.

The data collected revealed that 65 respondent or 37% identified internal audit system as the measure used or adopted by the council administrator to control the finance of the local government. Thirty three (33) respondent, which represent 18%, identified external audit system, 30 respondents of 17% identified annual finance record, while equal number of respondents, that is 25 respondents identified budget and inter – departmental checking system to the financial control measures used by the council administrator.

In conclusion, with the internal audit system as the financial control measure used by the council and also being the option with the highest respondents and percentages, the level of accountability from this measure was not satisfactory.

From the table 4 above (Research Question 4), 101 respondents which represented 57% identified that the utilization of Irepodun Local Government revenue has not produced positive impact while 77 respondent or 43% were of the view that positive impact was produced. With the level development in Irepodun local government, there has not been strong prudent utilization of its revenue because of the general laxity on the part of the finance department.

In conclusion, the utilization of revenue available to Irepodun local government has produced negative impact to the people according to the above table. To be able to know how the utilization of the revenue available to Irepodun local government has produced negative impact on the people according to the above table.

To be able to know how the utilization of the revenue available to Irepodun local government produced negative impact on the people. The following question was analyzed.

The research question 5 was designed to find out the project embarked upon, in accordance with the budget of Irepodun local government. From the table 103 or 57% identified agriculture, 3 respondents identified water, and 6% or 10 respondents went for Education, none of the respondent identified staff salary.

From the above analysis, it could be said that agriculture which has the highest percentage of 57% is the project embarked upon with the budget of Irepodun local government.

Although, agriculture is vital to the indigenes of Irepodun local government, but if the budget of the local government was not used to provide the basic need of the masses on embark projects were more important to the people like road, water, electricity, staff salary, health and the rest, it would be taken to have created negative impact on the people of Irepodun local government.

In conclusion, it is believed that the utilization of revenue impact because the number of respondents who identified the pressing need of the people was not encouraging.

4.5 SUMMARY OF THE CHAPTER

The essence of this chapter is to present summary of the finding as it was carried out as regard to the subject “Challenges of Effective Utilization of Revenue Available to Local Government in Nigeria”. It is ascertained in

our finding the revenue collection needs energetic young men who can run around. It was also noted that most of the staff were married. This to an extent makes them matured, reasonable and responsible. It was also observed that most of the staff was literates; this helped them to read and understand and to give accurate information. From the finding also, it was observed that civil servants were more and greater number of them were Irepodun Local Government Staff.

Furthermore, it was observed from the finding that the revenue to Irepodun Local Government has not been utilized for substantive development because of the corrupt, greedy and selfish leaders who siphoned the money meant for development into their personal bank account for personal use. For the finding it was observed that local government has always been dependent when it comes to their expenditures. The revenue they generated internally is not sufficient for them.

Moreover, poor utilization of revenue has negative effect on Irepodun Local Government Area. It was noted that road construction was the only project that has not been embarked upon by Irepodun Local Government in accordance with their budget. It is so because agriculture has the maximum attention because of the nature of the area, because it was an agrarian area whereby larger numbers are farmer. It was observed that the application of financial controlling measure affects the development of Irepodun Local Government Area positively because by doing so, there will be check and balances and the officers who loot the money meant for development into their personal accounts will not be able to do so. Conclusively, of the study.

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CHAPTER FIVE

5.0 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

In this chapter, efforts will be made to present the findings of this study, draw some conclusions and finally make some necessary recommendations.

5.1 SUMMARY OF FINDINGS

From the study, one could summarize that the problem of effective utilization of revenue available to local government, in particular, Irepodun local government as a case study is not in the hand of the federal and state government, but in the hands of those in the council especially those entrusted with the local government revenue.

On the problem that hinders the effective utilization of revenue available to local government, it was deduced from the data collected that general laxity on the part of the finance department top the list of the problem that hinders revenue utilization. In this case, it means that the finance departments to those entrusted with the revenue of the local government are strict with the regulation when it comes to handling the local revenue.

The collected and analyzed data revealed that the level of development in Irepodun local government produced negative impact on its indigenes. It has produced under development in Irepodun local government there are no local industries where the indigenes of Irepodun can be gaily

employed. Therefore, the standard of living of the people of Irepodun local government is very low.

According to the interview carried out by the researcher on one of the staff of Irepodun local government, he was of the views that, though the money is coming both the statutory allocation and the internally generated revenue, but before the revenue get to the implementation stage, the revenue will be inadequate due to embezzlement of the revenue by top officials.

Misplaced priority also hinders utilization of revenue of the local government. The revenue allocated and generated by local government are always misplaced and mismanaged. As one of the finding of this study, priorities are misplaced project are done not according to or as demanded by the people.

The researcher also found out that lack of accountability constitute problem for effective utilization of local government revenue, poor leadership, corruption poor electoral body at the local level, late release of fund from the state government and inadequate skilled personnel's. All these problem hinders effective utilization of revenue available to local government.

5.2 RECOMMENDATION

As a result of the finding of this research work, the researcher postulated that without good leadership corruption free personnel as well as the chairman accountability in every department of the local government setting priority first, free and fair election at the local level there can never be prudent management of its revenue.

Therefore in order to combat the challenges of effective utilization of local government revenue, so that intended development of Irepodun local government is enhanced and citizens enjoy modern items of development, the researcher recommended the following.

- (1) Firstly, the electoral body at the local government area should carry out a free and fair election. This will reduce the number of corrupt and unqualified personnel's in the local government.
- (2) Secondly, the internal auditors to the council should be highly qualified senior accounting staff to avoid being intimidated by other administrative officers of the council.
- (3) Thirdly, there should be an auditor general. Auditor general is very important in local government this is because the auditor general is a neutral person who is appointed by the state government, and by so he knows no one in the council, and function without being partial.
- (4) Fourthly, there should be checks and balances. This is because power corrupts and absolute power corrupts absolutely. The three tier of government should act as a watchdog over the other.
- (5) Fifthly, an audit alarm committee should be established in the local government so as to inform the auditor general when the chairman is making illegal payment.
- (6) There should be inter-departmental checking of all the department especially the finance department i.e. treasury department for accountability.

(7) Lastly, the state government should ensure to remit the share of local government revenue when due or promptly.

5.3 CONCLUSION

After careful study of the data collected and analyzed the researcher drew the following conclusion.

That the major problem of the utilization of local government revenue originated from electing corrupt and unqualified personnel who know little of nothing about being a leader or functionaries in the local government. When the head is corrupt, certainly the whole body fellow when the leader or chairman of a local government embark on illegal payment in the council without being cautioned, what then become of the staff. The overall impact of the problem of effective utilization of revenue available is to say that, it has produced under development such as lack of social amenities like good road, tap water, electricity and other social infrastructural facilities and poverty.

The research work has discussed critically and analytical the challenges of utilization of revenue at local government level, examine the challenges associated with the revenue utilization, the impact and the solution to these challenges. It is the view of the researcher that if those entrusted with the money of the local government are honest and accountable, possess sound knowledge about revenue, reduce human factor and possess accurate and reliable information etc. they will be able to effectively and efficiently manage and utilize revenue at local government

level such a way that will commend the support and approval of the people and deliver the needed development to where it is most needed.

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