

**CHALLENGES OF EFFECTIVE UTILIZATION
OF REVENUE AVAILABLE TO LOCAL
GOVERNMENT AREA OF KWARA STATE**

BM

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CERTIFICATION

This is to certify that this project has been read and approved as meeting the requirement for the award of National Diploma (ND) in the Department of Public Administration, Institute Of Finance and Management Studies, Kwara State Polytechnic, Ilorin.



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DEDICATION

This project report is specially dedicated to Almighty Allah for is divine Mercy and Grace over me and for given me the privilege to executing this project successfully. I also dedicate this project report to my parents Mr. and Mrs. Abayomi.

ACKNOWLEDGEMENT

All praises go to Almighty Allah for his protection, grace, good health and knowledge over me which I use to start and complete this project. Therefore, I say may all glory, honour, praises, adoration and thanks be ascribed to the Almighty.

I am very grateful to my supervisor Mr. BABAITA T. A. for his thorough checking and correction throughout my project writing. I also appreciate the amiable Head of Department (HOD), my project coordinator; and all other lecturers and staff of Public administration Department, Kwara State Polytechnic, Ilorin for their positive impacts and contributions.

I also recognized the moral support of my parent Mr. and Mrs. ABAYOMI for their supports. May almighty God grant them good health and they shall eat the fruit of their labour (Amen).

I cannot forget my big Brother ABDULQUDUS OLAMILEKAN. He has always been there for me through tough times. They are more than friends to me, I really appreciate your effort both financially and morally Almighty God will continue to bless you abundantly.

I would like to thank all my lovely friends for understanding and support me in one way or the other my lovely DANIEL and DANIELLE for their cooperation and understanding. I love you all.

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CHAPTER ONE

1.0 INTRODUCTION

1.1. BACKGROUND TO THE STUDY

The local government which is the third-tier fourth schedule of the Constitution of the federal republic of Nigeria. It also has some responsibilities in relation of the other two tiers of government i.e. the federal and the state government.

The constitution vested some duties and responsibilities on the local government, which enable it to raise revenue and spend some in a manner that will mar the welfare of the stakeholder. The third-tier of government has among other the following function and duties which enable it to raise revenue by itself for the provision of development services to the people of the level

The local government is vested with responsibility of establishment and maintenance of roads, street, drains, park and other public facilities prescribed by the state legislature. Other duties include naming of roads and numbering of house, provision and maintenance of public facilities for refuse disposal, registration of birth, death and marriage, control and regulation of outdoor advertisement movements and keeping of pets, shops, kiosks, restaurant, and other place of sale of food to the public.

In addition the local government is also to participate with the state government in managing primary education, development of agricultural and natural resources (other than exploitation of mineral). Primary health service and other matters to be determined by the state legislature.

In sum, all the store mentioned function, responsibilities, duties and more are ways through which the local government generate revenue to utilize in an appropriate manner making sure the constitution roles are performed.

1.2 STATEMENT OF THE PROBLEMS

The effectiveness, efficiency and survival of any local government is depend upon the revenue generation method in operation. The nature of its function and the authorities that are to it by laws of the state and the federal government the study is therefore intended to examine the revenue aspect and the relationship between the function allocated to the local government by both the state and the federal government financing the local government through the available resources of

venue with an added view to examine whether there is actually revenue generation the operation of the local government.

It is worthy of note that one of the major problems of local government has been inefficiency of funds with which to effectively execute their developmental programmes especially in rural areas.

The local government like any other tier of government needs strong and effective revenue system in addition to the grant from the state and federal government to perform its function effectively. It is the problem of ineffective and adequate revenue system in addition to the grant from the state and federal government to perform its function effectively. It is the problem of ineffective and inadequate revenue generation and its appropriate utilization at their tier of government that has motivated this research work.

1.3 OBJECTIVES OF THE STUDY

The objective of this research study comprises among other following

- a. Examination of the revenue generation system and utilization by analyzing the flow of revenue to the local government, the expenditure items and whether there is actually effective generation and appropriate utilization.
- b. This project provides a basis for the identification of the various problems with revenue generation and utilization at the local government level in order to overcome multiple constraints by fashioning appropriate policy measures for lacking items.
- c. The project intends to discuss in the details the operation of generation relating to specific services, government allocation (Le federal and state government), capital revenue and finally commercial undertaking.
- d. This project also tries to ascertain the present system of allocation. The finance and manpower that are needed for its day to day operation.
- e. This project is devoted mainly to revenue generation and utilization in Ilorin West local government. As a result, it is important to emphasize that the study is policy oriented.

Therefore, based on the findings, suggestions, will be made for future improvement at the Local Government level.

1.4 SIGNIFICANCE OF THE STUDY

One of the importance of this study is to extend the sphere of knowledge on the revenue generation and it uses in Isin local government. The relationship between it function and financing This study suggestion remedies to problem militating against Isin local government in revenue generation and utilization a part from identify such problems

1.5 RESEARCH QUESTION

This study is based on filled questionnaire received from respondent within the local government. They were requested to fill this questionnaire and supply us with some other important deemed necessary.

As may not be ruled out the response through the questionnaire was very poor this necessitate a personal visit to the local government concerned. Isin local government were Interviewed and information drawn from them on area not well attended to in the questionnaire

1.6 SCOPE AND LIMITATION OF THE STUDY

The period under review by this study is between January 2003 and December 2007. This study centered only on recurrent revenue, capital expenditure. available data through the oral interview with official of the local government and from available records

Apart from the above limitation, through almost all the officials contracted were very co-operate in making relevant information available. They were still limited by the orthodox practice of keeping official secrete an upholding the bureaucratic nature of the civil services

1.7 PLAN OF THE STUDY

The project is made up of five chapters.

Chapter One: As the general introduction guiding insight into all what the study is all about.

Chapter Two: Gives review of it's related literature, journal business. magazines, news and periodicals.

Chapter Three: Deals extensively with the case study, chapter four also deals with collection, presentation and analysis of data.

Chapter Five: Which is the last chapter with findings, conclusion, and recommendation and bibliography.

1.8 DEFINITION OF KEY TERMS

Accountability: This famous word was derived from the word account, which means to give a reckoning of money that has been entrusted to someone

Auditing: Auditing was based on a strong determination to conquer problems associated with early beginning of business transaction and provide an independent and competent report on the state of the business to their owners. At this period the owner of a business use to hear a report made by the auditor about the book keeping and financial records of is business from time to time.

Budget: Budget is plan quantified in monetary terms, usually showing expected revenue and expenditure for a given future period usually a year.

Estimates: To estimate means to forms a predetermined opinion of the expected revenue and expenditure in the budget.

Statutory Allocation: This is the proportion of the federal and state revenue that is accruing to the local government.

Tier: This term denotes a set of government with it's own identity powers and sourees of revenue as established by the constitution and various legislations

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CHAPTER TWO

2.0 LITERATURE REVIEW

It has not been easy to lay hands on specific book, journal and magazine written purposely about the revenue generation and utilization of local government level as it has been identified as a melody that cuts across all sector of the economy

Revenue generation and utilization, therefore calls for putting in place adequate internal control among other. In certain type of business management may ask the auditor to express an opinion on the system of internal control and may wish to publish the opinion in at least a limited way. As a rule, auditor have been reluctant to the such opinion published as they not tell that the general public have a sufficient understanding of the subject matter of an internal control system, this is probably a justified concern on the part of external auditors, as the coverage of this subject in accounting literature and in our colleges and polytechnics has been quote minimal until recently

2.1 WHAT IS LOCAL GOVERNMENT ADMINISTRATION

To some people local government means local administration set up outside the main focus of the central or regional administration.

The implication of last interpretation on that in a local government administration, there is a glaring absence of legal personality, which is the main characteristic of every local government. But to some people, local government denotes an agency of government set up to perform specific tasks to Nigeria, the guideline for local government reforms published by the federal military government in 1976, defined local government as government at the local level, exercising specific power within defined areas. This process should give the council substantial control over local affairs and direct the provision of services and to determine and implement projects so as to complement the activities in the area, people and their traditional institution and the initiatives and response to local needs and condition are the definition of local government has gone so far and wide enough to include not only the concept of local government but also the rationale or purpose and the existence of a level at least in Nigeria setting the writer this part shares the belief of those who defined local government as a political authority set up by a nation state as a subordinate authority under the guise of disposing of decentralizing the political power. Basically, local government is a decentralized executive and are devolved by law this government

because power is decentralizing political assembly and because these powers are proven and not specific. Almost all writers on the concept of local government presuppose that a local government is a legal entity that can and be sued, has territorial jurisdiction and defined responsibilities. It is also clear from the local government is not interior or subordinate to the state government, it has defined powers and its activities are to complement the activities of both the state and federal government.

However, the situation in Nigeria is obviously different as local government in this country depend largely on the federal government finance and the state politician is stilling, control, accountability this could be seen in the words of the then chief of staff when launching the 1976 reforms. The purpose of this study is to investigate and examine the limitation at the local government level.

2.3 WHAT IS REVENUE

Revenue, According to Compact Edition of the Oxford English Dictionary is defined as returns, income, proceeds or profit realization. However, revenue in relation to local government consists of all sources of funds accruing to local government for this purpose in undertaking services and programs, Monitors allocate the mentioned here.

2.4 SOURCE OF REVENUE

The fourth, schedule of the amended constitution spell out the sources of revenue for local government as follows.

- a Collection of taxes, rate, rape and television licenses
- b. Licensing of by cycle, truck other than mechanically propelled thick comers, borrows and carts
- c. Establishment, maintenance and regulation market, moor park and publication conveniences.
- d. Central and regulation of
 - Out door advisement
 - Movement and keeping pets of all descriptions
 - Shop and kiosks
 - Restaurant and other places for the sale of food for the public

-Laundries etc

On the account of Olan the local government has only two major surge of revenue the former being grant from the central federal government and the latter being taxes, rates investment, just to mention but few.

According to him, all these sources are inadequate and more so, the over dependence of local government on the central government for fund has erased their supposed autonomy and reduces their effectiveness. Olan year when the central federal government contributes more than 50% local government funds there is the chance that when the resources available to the central government reduces the local government ward be short of fund to operate. If any level of government cannot contribute or generate more than 60% of its fund, autonomy that level or tier of government local government should be forgotten.

Oladende (1983) on his own, wrote that despite with reform in the various aspect of local government since 1976. Local government still remain weak, poor and unstable. He says the local government remain largely ineffective, inefficient and Bill of proliferation of corruption, financial mismanagement and lack of purposeful and meaningful political leadership featured prominently in the local government system, he also want to analyzed the major financial utilization that serve as a watchdog in the wheel of effective and efficient performance of the local government. The financial problem he feels manifest themselves in ways these according to him include, delay in the release of statutory allocation, lack of proper monitoring of sources of local government revenue.

It has further emphasized by Olapade (1983) that local government budgeting still remains deficient. It is based mainly line item budgeting which is a deterrent to good management.

Since the establishment of elected local government council in the country. there have been numerous and proven cases of financial mismanagement on reckless embezzlement. he concluded that the above financial constraint is by no means exhaustive, several other factor exist that militate against the local government.

Adewumi (1988) on his own argues that there is an imperative list of function which local government expected to perform and then should have revitalized local government if they have

been courage and provided with adequate finance to carry them out most effectively. According to him.

Long attempted showing that the existing inter government rascal relations in Nigeria has affected local government revenue. According to him, local government has been experiencing very poor financing and this is partly responsible for the difficulties in executing their financial obligation in term of provision of basic amenities to their respective communities.

It went further to explain that most of the local government do not relieve share in good live in many instance, state government refuse to pay these money to local government. The argument, however, is that the local government should now tap available sources and generate their own local revenue to finance, Scholar argued that, without sound financial base, local government can tan be expected to prosper.

The financial resources of local government must relate to the reside allocated to them. The first National conference on local government: 1916) titled the future of local government on Nigeria pointed out that.

The sources of falling and the effectiveness or otherwise of local government mass in the final analysis depend on the final authorities and the way there sources are utilized

2.5 LOCAL GOVERNEMNT EXPENDITURE

The local government as a third tier of government have a number of roles to plays in the development of rural area in Nigeria and worldwide. According to the forth schedule of the constitution of Nigeria.

The following function were stipulated in respect of local government

- i. The provision and management or primary school
- ii. The development of agriculture and natural resources (other than the exploitation of mineral)
- iii. The provision and maintenance of health services.
- iv. Such other function as may be conferred on a local government council by the house of assembly of the state.

Some scholars are the opinion that our local government have fallen short of expectation is the performance of their function regarding provision of services.

welfare and general administration. Other felt they (local government) deserve a part on the back in view of the numerous problems weighing them down among which are finance, lack of adequate trained manpower etc, to carry out these functions.

RECURRENT EXPENDITURE

This covers the day to day expenses incurred on administering and maintaining the various spheres of the local government. It also covers such items as personnel emolument, special, order change engine office and general tools and equipment. Etc.

CAPITAL EXPENDITURE

This covers the capital cost of development projects and services, which includes:

- a. Construction of roads and bridges
- b. Building of staff quarters
- c. Financial assistance to community development projects.
- d. Construction of approved markets and parks
- e. Workshop for works department in view of the need for the local government to develop and improve local services.
- f. The state government should increase their grant to the local government

Statutory allocation from federal government should be paid directly to local government. This will solve the problems of local government grants being partly or wholly diverted as a result of insolvency on the part of some state government,

DUTIES AND RESPONSIBILITIES OF REVENUE COLLECTORS

It will be inadequate to talk about the collection and utilization of revenue without maintaining the duty involving the revenue collectors. Revenue collector by definition is an officer entrusted with the official receipt and collection of some particular form of revenue on behalf of the local government. Its other functions include:

- i. Promptly bring me accounts, under proper heads and subheads of the estimates of other approved classification all monies collected for on behalf of the government.
- ii. Exercise supervision over the receipt of public revenue and ensure its efficient collection.
- iii. Ensure that proper provision is made for the safe keeping of public money and securities,

- iv. Exercise supervision over officers under him authority and take precaution through maintenance of efficient check against the occurrence of fraud, embezzlement and carelessness.
- v. Check all cash stamp in his care to verify the amount with the balance in the cash book and stamp register.
- vi. Promptly bring to account and collect all sum due to the local the local government
- vii. To keep all revenue book of account under lock and key when in use.
- viii. When require to do so the present all responsible for checking his account

2.6 CONTROL OF LOCAL GOVERNMENT FINANCE

The source of local government is not only measured by the amount of funds it can generate, but also by the extent of which the available funds are utilized to improve the standard of living of the masses in the local government area.

To achieve this there must be proper finance control in terms of accountability of revenue generation and utilization at the local government level.

Accountability of local government finance this is an organized system of internal control of check where by an accountant in the local government treasury is delegated with the power to check regularly the department to ensure correct use of funds.

More so, local government account is audited regularly by the state government auditors in order to help detect cases of funds misapplication of local government funds and over expenditures.

Accountability of local government involves revenue generation and utilization also involves taking step to ensure that statutory revenue properly collected and paid into treasury and its funds are properly carefully protected

It also involves, ensuring that expenditures is properly authorized according to existing laws and financial regulation and such expenditures must be wisely and honestly made.

There are two major aspect of financial internal the former is exercised by superior official of the government over their subordinate while the later is that control which exercise by the state or federal government and their agencies over the local government

2.7 MANAGEMENT CONTROL AND ACCOUNTABILITY IN WEST LOCAL GOVERNMENT

Government accounting being part of the broad area of fiscal management is becoming increasingly important. This is because it is conceived to concern of the government accounting function. One can concluded that failure to control unlawful expenditure would means inefficient management in the system.

Accountability generally means legal liability for their purpose of this study it goes further to mean the establishment of a pattern of control over receipt and expenditures and that money have been used for public purpose.

A payment voucher in the treasury goes through various stages thus preparing controlling, checking passing receiving that payment is made and finally posting these precaution and measures taken are all designed to ensure public accountability the concept which itself is as democracy and rule of law.

2.8 INTERNAL AUDIT

In West local government the internal audit has a vital role to play in the control revenue generation and utilization at local government authors Intense auditors are employees of the local government. They are responsible for checking control of the revenue and expenditure of the local government. Internal audit means the audition out within department in the local government. It is charged with the responsibility of checking and inspective the financial activities of the local government.

The account are audited at internal in order to detect cases of funds appropriate, mismanagement and embezzlement of public funds to ensure there is strict compliance with the laid down rule on revenue and expenditure

2.9 EXTERNAL AUDIT

The external audit of the local government is a function of the state varmint.

By external audit here means the practice of sending person of signing persons to audit or check the financial book of account of a different organization. External auditors are state government employee. As such they are possible to the state government to when they send their reports.

This is one of the financial controls exercised over local government by the state government. Auditors are sent by the purpose to check the local government on, how they are managing the finance, for example, the way they collect revenue the custody of such revenue and how it is being spent.

This regular checking of the local government finance disallows the necessary disbursement of public funds.

2.10 LOCAL GOVERNMENT TREASURER

The local government treasure has a very important role to play in the imbursement of public funds. The position of the local treasurer is spending local government funds is important. This there for makes he treasure to be fled personally responsible per the error in accounting or per income and authorized payment made. It is the duty of the treasure to see that on exact account of all monies allocated for disbursement is kept and that the rules of accounting as laid down to coordinate all expenses submitted to him by the local government finance committee to which he is the secretary He is also the flicer who is responsible for sending such estimates to the decretory for commendation after the budget has been considered by the finance committee.

The treasurer is expected to prepare and submit long-term finance forecast for council consideration. The treasure is statutory bound to attend all the council and financial committee meeting to report on the finance of the local government and also advices on the following

1. General financial policy short and long terms
2. Budgeting policy implementation and annual supplementary estimate
3. Introduction of more advanced accounting techniques
4. Setting up of a special funds for fixed deposit account
5. Financial implication of alternative course of action and cost benefit analysis
6. Financial organization in other department of the council
7. Financial effects on any proposals of committee and department.

2.11 HEAD OF LOCAL GOVERNMENT DEPARTMENT

The local government in exercising their delegated power. Therefore, they have to see that the council fund are spent in according with the financial regulations.

When job order or local purchase order are issued for the performance of services for example they have to see that work his bear satisfactory done before payment are made and such work should be in the interest of the council All the purchase of stationary items made by them must be accounted for the store and then used for the indented official purpose.

When making any payment, they have to see that all necessary document, Are attached to support such payment they have to rectangle department are collected and paid into treasury of the time stipulated by the treasury department.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 DATA SPECIFICATION

Primary and secondary data are used in conducting the research. The secondary data are information collected from various textbooks, journals and published work. The primary data was collected by personal interview

Personal interview was used in order to clarify some information and in allows more accurate information to be obtained by asking the respondent more questions.

3.3 METHOD OF DATA COLLECTION

Research according to the chambers universal learned dictionary has been defined as a close and case study to find out facts or information on an issue a thing or even a human being.

Equally, method on it's own part referred to as the way in when one does something in an orderly or series of actions. For doing something from the above definition, therefore research methodology can be said to be the patterns followed. the ways employed the money used as well as the activities involved in collecting the required information and data.

This activity include visit, personal interview, reading through records and examining books of accounting. This research work was carried out basically through two main method-primary method and secondary methods.

PRIMARY METHOD

I paid several visit to the local government area in order to be well equipped with the necessary information and data. As in common with all civil services set up some obstacle raised their heads initially but with perseverance and objectivity, the obstacle soon cleared to give way to good report and extraction used information from both staff and people of the local government. Personal contact were made though oral interview with people of all work of life. They include the treasurer, staff the director of personnel management as chairman are not yet in place throughout the local government treasurer the tax authorities' officers of various grades, business men and even the local farmers. The success recorded through the method was as a result of my personal observation

added to our knowledge of Ilorin West local government. Its sources of revenue generation, how it is collected, disbursed and utilized.

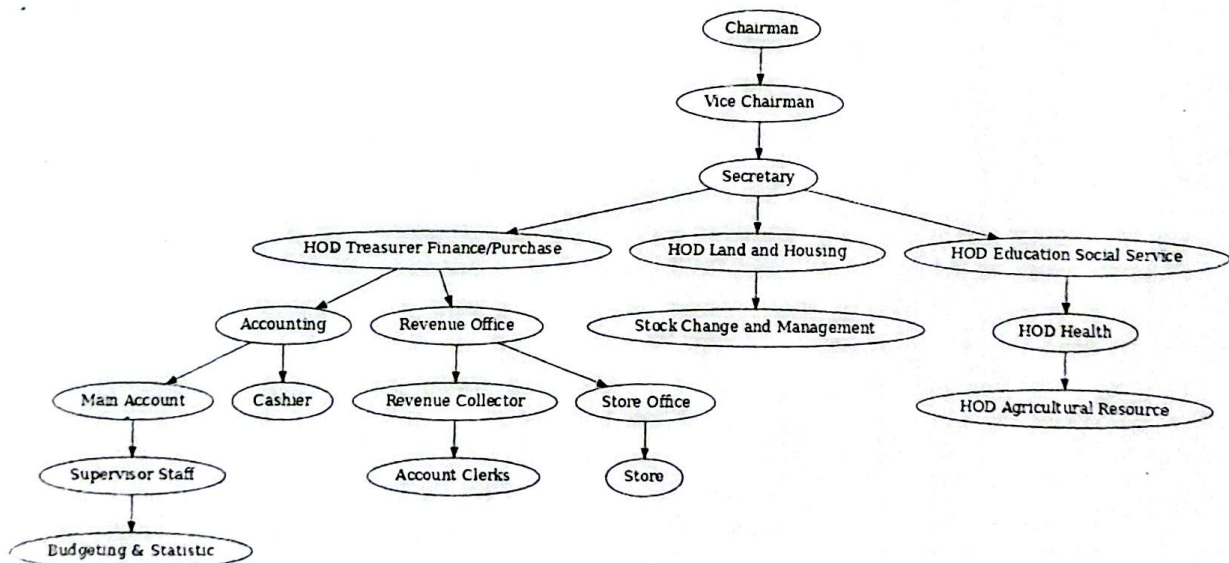
SECONDARY METHOD

The mode of this method mainly involved searching through records, reading of various books and critical examination of all the books of account including the financial memorandum which guides the financial books, journal, magazines, files report, newspaper, articles, circulars, library books and local government bye laws.

This broadened our knowledge as afforded is the opportunity of the first information it is believed that this would be great value to reader and future researcher as well as anybody who wishes to be acquainted with how revenue is generated and utilized effectively at the government level.

3.4 POPULATION SAMPLE SIZE

ORGANIZATION STRUCTURE OF ILORIN WEST LOCAL GOVERNMENT AREA



SOURCE: ORGANIZATION STRUCTURE OF ISIN LOCAL GOVERNMENT

The local government finance committee has a leading role to play in the accountability of revenue generation and utilization at the local government. The committee is responsible to the local government council for all matters of the direction of local government authority.

A finance committee performs its duties satisfactorily through the comprehensive reports received from the treasurer as the vast majority of the decision taken by the committee is through the information and reports submitted by the treasurer. The committee also ensures that allocations relieved from their sources are shared among the various department and section in the local government in accordance with approved formula.

The financial committee in local government is the policy making body of the financial administration of the local government.

It considers and examines the monthly reconciliation in respect of the period which must be prepared monthly.

By seeing monthly reconciliation statement, the finance committee will know the financial position and standard of the local government.

3.5 SAMPLING TECHNIQUES

In this research work, it is particularly not possible to obtain from every possible respondent relevant to the study at hand thus sampling aspect has to come in two kinds of sampling were implored for the kind of enquiry. This is sampling of person and on the other hand, the sampling of as segment and test. In each case, what has needed is the population as closely as can be contrived. The first kind of sampling is easier because at any rate in highly developing countries, much more about the population is now so good selection is very much a matter of good judgment. This is to some extent a matter of opinion with some risk attracted to relying up on it.

3.6 METHOD OF DATA ANALYSIS

Like any other level government nationwide, Ilorin west local government is an autonomous body that can sue and be sued. It has the power to make bye laws and prosecute offenders. It also has the member raise, generated and collect various forms of taxes and rates. However, it cannot be said to be financially buoyant because of taxes and rates collected are not enough even to meet turning cost let alone paying staff salaries if has to wait for the monthly subvention from the federal account which sometimes could be inadequate and insufficient.

In the view of the above, the relent introduction of the administration collection of tenement rates has increased the revenue according to the local government.

CHAPTER FOUR

4.0 DATA PRESENTATION AND ANALYSIS

4.1 DISCUSSION OF ANALYSIS

In view of the research questions identified in the previous chapters, the researcher sought information through the use of personal interview and review of government records. This is with a view to verifying the authenticity of local government revenue and understanding of revenue generation and utilization at local government level.

The source of revenue to the local government can be divided into two categories internal and external sources.

INTERNAL SOURCE:

In order to be self-reliant and avoid total dependence on the external source of revenue. Ilorin west local government has various sources from which revue are internally generated through the efforts of the local government revue mobilization committee and revenue collectors. These sources according to florin west local government annual budget and account are as follow taxes, rate, line, general licenses, food control, interest payment on deposit accounts, dividends on investment and so on.

EXTERNAL SOURCES

This constitutes major sources of revenue to florin west local government like any other local government in kwara state. The federal and state government make effort to supplement the limited financial resources available to the limited financial resources available to the local government to enable them discharge their function well.

The following are the external sources of revenue to the local government statutory allocation front the federal government, 10% of internally generated revenue from the state government, value added tax from the federal government and grant from other sources.

REVENUE GENERATION AND UTILIZATION AT LOCAL GOVERNMENT LEVEL
ISIN LOCAL GOVERNMENT SUMMARY OF REVENUE GENERATION FOR THE
PERIOD OF 2003–2007

Table 4.1.1

Source	2003 ₦	2004 ₦	2005 ₦	2006 ₦	2007 ₦
Internal	360,614.10	1,238,989.33	4,535,861.34	2,876,472.75	1,470,249.08
External	48.0	79.0	70,603.20	238,525.91	311,462.14
	20.8	3.0	589.92	0.10	8.20
	97.5			1.0	9.08

Source: Researcher Field Survey 2025

INTERNAL SOURCES OF REVENUE

Table 4.1.2

External	2003 ₦	2004 ₦	2005 ₦	2006 ₦	2007 ₦
Revenue	360,614.17	1,238,989.833	4,535,861.34	2,876,472.75	1,470,294.08

Source: Researcher Field Survey 2025

From the above table, internal generated revenue increased by approximately 70.9%, 72% between 2003–2004–2005 respectively.

However, it decreased in 2006 compared to 2005 by about 36.6% and further decreased in 2007 comparing to 2006 by 48.9%.

The earlier increase between 2003-2005 has a result of revenue mobilization put in place and now policy introduced on revenue generation by the local government administration, however by the local government decrease from 2006 was due to inefficient mobilization and shortage of staff. The higher percentage decrease in 2007 was due to misplacement of priority by the administrators in charge of the local government who are major concern about playing politics.

EXTERNAL SOURCE OF REVENUE

Table 4.1.3

External	2003 ₦	2004 ₦	2005 ₦	2006 ₦	2007 ₦
Revenue	18,020,819.59	76,630,589.93	23,523,910.10	311,462,170.20	152,355,678.22

Source: Researcher Field Survey 2025

From the above table, the external generated revenue was at an increasing level between 2003–2004 by 37.3%, 2004–2005 by 67.9%, 2005–2006 by 23.4% the increasing trend was as a result of federal government's new policy of showing of statutory allocation and the introduction of value-added tax policy. However, in 2004, the external revenue generated reduced drastically and by policy.

The federal government, but as a result of joint account in Kwara State by then, did not allow allocation to each of the local governments directly. The statutory allocations were indiscriminately deducted during the period by the state government, which grossly underdeveloped programmes in the local government area. Moreover, no money or grant was received from the state journal during the period.

REVENUE UTILIZATION OF ISIN LOCAL GOVERNMENT

Local governments are established not only to maintain law and order, but also to provide certain services in order to raise the standard of living of the people within the areas of their jurisdiction. To maintain law and order and to provide these services effectively, the local government has to spend nearly all revenue available to them.

The expenditures of the local government are divided into recurrent and capital expenditures.

Below are the types of recurrent and capital expenditures of Isin local government according to its annual account (i.e., balance sheet) for the year 2003–2007, tabulated below.

Table 4.1.4

External	2003 ₦	2004 ₦	2005 ₦	2006 ₦	2007 ₦
Recurrent	27,956.96	49,712.87	172,812.5	287.317	142.720
Expenditure	47	94	229.35	780.17	51
Total	23,907,196.3	20,763.60	73,915.36	32,929.73	12,146,696.34
Expenditure	18	37	35	72	
Total	51,864,162.65	70,476.46	246,727.2	8,700.43	155,137,937.85

Source: Researcher Field Survey 2025

Note: Isin local government annual account for the period of 2003–2007.

Next shows the breakdown of both capital and recurrent expenditure in percentage form.

TABLE 4.1.5: PERCENTAGE AGE OF CAPITAL RECURRENT EXPENDITURE

YEAR	CAPITAL %	RECURRENT	TOTAL %
2003	46.1	53.9	100
2004	29.5	70.5	100
2005	30	70	100
2006	10.3	89.7	100
2007	3	92	100

Source: Researcher Field Survey 2025

Finally speaking, one easily read from above table that Isin local government on many capital project between 2003 and 2004 but lesser capital project between 2006 and 2007. This was as a result of increase in recurrent expenditure, shortage or decrease in 2007.

Automatically, a decrease in recurrent expenditure means an increase in capital expenditure while an increase in capital expenditure amounts to an increase in the standard of living of the people.

4.2 DISCUSSION OF FINDINGS

This project is an attempt to examine revenue generation utilization using Isin local government as a case study. It aims at providing a revenue text for student practitioners of accounting as well as serving as a springboard for further investigation into accountability.

It went further to examine the revenue pattern and service available to the local government and how they were utilized.

CHAPTER FIVE

5.0 INTRODUCTION

This chapter comprise of summary of findings, conclusion and recommendation.

5.1 SUMMARY OF FINDINGS

The local government has power to make by laws and prosecute offender in also has the power to generate and collect various forms of tax and rate.

The taxes and rate being administered by the local government through not enough to meet her running cost the recent introduction of the administration and collection of rate increase the revenue acquiring to the local government.

The source of revenue to the local government include internal and external sources which means there is mobilization and revenue collection to the internal source and external sources depend on federal and state allocation

However, some problem has been discovered in the course of this research. most especially in revenue item and utilization at local government level

These problems include lack of find, inadequate staffing, dependence o government grant etc. finally it made recommendation that will improve the efficiency of the local government revenue generation and utilization.

5.2 CONCLUSION

It is necessary that local government should be able to generate their own revenue indept of any other level of government state or federal.

This is the only way they can ascertain, their independent from those other tiers of government that is the independence to pursue further more the problem of economic development demand that local government must increasingly, provided and initial and capital resources since the cost of borrowing from financial and commercial institution has become prohibitive.

5.3 RECOMMENDATION

In view of the above facts the researcher wishes to make the following recommendation.

1. There is need for local government to grade the quality of staff in her employment, improve its office organization and information competence towards a better and more efficient assessment as well as the collection of local government rates and taxes of all categories.
2. Great emphasis should be placed on more efficient assessment of direct personal income
3. Local government should be more commercially They should engage themselves in commercial which will eventually boost the economic pupation the local government grant and taxes to be financially to execute their programming.
4. The federal and state government should try improve the revenue position of local government by sending sufficient grants or allocation to meet up their requirement and staff salaries and development activities.
5. In order to ensure that there is accountability accurate record should be kept and maintained by the government recorded book. Such as cash, department vote account book, daily abstract of service, both revenue and expenditure e.tc are necessary and should be well adequate maintained in revenue, and section. Recommend that all account officer must be mandate to keep the account council and their books of account with treasury
6. The management of local government should give assignment to offices based necessary training and orientation to see that the executives understand the function of the internal audit department,

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