

FINANCIAL ADMINISTRATION IN LAVUN
LOCAL GOVERNMENT AREA OF NIGER STATE

BY

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award of the degree of Master of Public Administration (M.P.A.)*

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DEDICATION

The dissertation is dedicated to my darling, Isaiah for his immense contribution morally, prayerfully and financially, at the time of competing domestic demands.

"ISAIAH" God that faileth not, will continue to provide your desires at the time of need.

DECLARATION

I hereby declare that this dissertation has not been accepted in substance for any other degree. I certify that the dissertation is solely my research work. The sources consulted in the work have been duly acknowledged in the references. I take personal responsibilities for any errors that may be detected in the project.


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The above declaration is confirmed:

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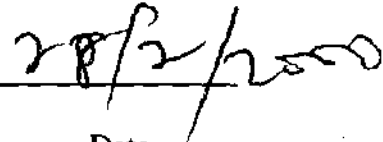
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CERTIFICATION

This dissertation, titled "Financial Administration in Lavun Local Government Area of Niger State" by SARAH A. TSADO (Mrs) meets the regulations governing the award of the degree of Master of Public Administration (M.P.A.) Of Ahmadu Bello University, Zaria and is approved for its contributions to knowledge and literary presentation.



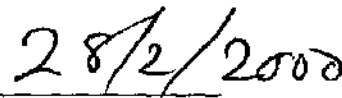
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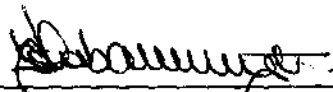
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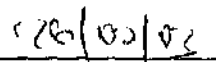


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lapses and missing gaps in this work.

ABSTRACT

This research focussed on financial administration of Local governments using Lavun Local government Area in Niger State as a case study . Hie study dealt with the control measures of the available revenue at the disposal of the Local government and how their pattern of expenditure affect the general development of the rural areas.

The level of financial management or mis-management in any organisation can reasonably be assessed through the control systems adopted in:

- (a) The effective collection of all its cspected incomes and
- (b) The prudent use of the resources.

Any defects in cither of these fields are bound to bring about a high a degree of failure in the pursuit of the organization to achieve its set objectives, be it a service-oriented or a profit-making venture.

This study additionally revealed trully the over dependence of the Local Governments on the central Government to meet their ever-increasing development needs at the grassroots levels.

On the area of staff productivity that would have enhanced higher generation of locally-sourccd revenue, lack of adequate incentives seemed to have plagued this. The study also revealed a high level of discontent on the physical developments achieved at the grass-roots levels.

Finally, where lapses were identified, the researcher has attempted to offer suggestions on how the Local governments should work towards meeting the development expectations of the rural masses.

TABLE OF CONTENTS

	Page
Title page	i
Dedication	ii
Declaration	iii
Certification	iv
Acknowledgement	v-vi
Abstract	vii
Table of contents	viii - x
CHAPTER ONE	
1.0 Introduction	1
1.1 Background of the study	i
1.2 Statement of the problem	1-2
1.3 Aims and objectives of the study	2-3
1.4 Significance of the study	3
1.5 Scope and limitation of the study	4
1.6 Statement of hypothesis	4-5
1.7 Operational definition of concepts	5-6
1.8 Methodology	6-8
1.9 Plan of the study	8-9
References	10

CHAPTER TWO

2.0 Literature review and theoretical framework	11
2.1 Literature Review	11-17
2.2 Theoretical Frame work	17-21
References	22-23

CHAPTER THREE

3.0 Historical background	24
3.1 A socio-economic profile of Lavun Local Government	24-26
3.2 The goals and objectives of Lavun Local Government	26
3.3 The functions of Lavun Local Government	26-28
3.4 Sources of finance of Lavun Local Government	28-32
3.5 The organizational structure for financial Admin in Lavun Local Government	32-36
3.6 The budgeting process in Lavun Local Government	36-38
3.7 Problems of finance management in Lavun Local Govt	38-39
References	40

CHAPTER FOUR

4.0 Presentation and analysis and data	41-43
4.1 Planning and budgeting in Lavun Local Government Area	43-45
4.2 The Revenue and Expenditure management of Lavun local Government	45-52
4.3 The 1988 Civil Service reforms and its effects on financial management in Lavun Local Government Area	53-56

CHAPTER FIVE

5.0 Summary, Research findings, conclusions, and Recommendations	57
5.1 Summary	57-58
5.2 Research findings	58
5.3 Conclusion	58
5.4 Recommendations on General Financial Administration	59-60
5.5 Other Recommendations	61-62
Bibliography	63-64
Appendices	65-71

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Major discussions on Local government finances in recent years tend to centre on evolving and adopting new revenue sources and reviewing existing sources with the overall objectives of expanding and consolidating the local government's revenue base. In our attempt at making local governments 'financially viable', we often tend to overlook or at best give token recognition to the crucial considerations of the management and control of available resources, no matter how meagre. It is, in fact, this writer's view that the insufficient attention given to the management and control of local government finances in recent years has, in no small measure, helped to accentuate the financial predicaments of local government authorities. This in turn has placed a severe limitation on their (the local governments) relative abilities to make the desired contributions to the development of the grassroots in the country.

It is in the light of this problem that the researcher is taking a critical examination of the financial administration of Lavun local government area of Niger State.

1.2 Statement of the Problem

The fundamental problem which gave rise to the focus of this research is that despite many re-organizations or reforms of the local government systems in the past, Local Governments are still unable to satisfactorily address the problems of financial control and accountability in the country.

Today, thirty five years after independence, local governments have not successfully discharged their important functions/roles as agents for grassroots- development. Two major problems account for local governments' poor response to the demand for and effectiveness in grassroots development. These are:

1. Poor, dry and inelastic revenue sources and
2. Poor and out-moded form of financial administration.

A lot of discussions on local government finances have centred on the revenue generation aspect, with little attention to the management and control of expenditure. This had helped to accentuate the financial predicament of the local governments and by implication, made it impossible for local governments to make the desired contribution to the development of the grassroots in the country.

Because of the nature of the social (unquantifiable) services that Local governments provide, their budgetary and planning programmes can hardly be aligned with a "value for money" objective. This, however, cannot be strictly regarded as a weakness in accountability. The functionaries hiding in the same guise, are able to directly or indirectly perpetrate all sorts of havoc to mismanage government's resources at their disposal. No wonder therefore, that the expected rate of development is far from being attained.

1.3 Aims and Objectives of the Study

The purpose of this research is to identify the root-causes of ineffective and efficient financial administration in Lavun Local government area of Niger State, principally to identify its weaknesses and with a view to suggesting possible solutions.

It is a known fact a lot of funds are being pumped into the Local Government system from different sources such as the Federal Government, state Government, External Aids and the Local incomes. By the edicts establishing these bodies, proper returns to ensure prudence in the funds released to the Local Governments are expected periodically. It is therefore empirical that accountability should be the watchword of the Local Government functionaries, if these funds sources are to be retained.

The study is, therefore, specifically tailored to attain the following objectives:-

- (a) To determine the real sources of revenue of Lavun Local government area and any problems incidental to its revenue generation and collection.
- (b) To find out the weaknesses of the local government's financial management viz-a-viz, its expenditure control measures.

1.4 Significance of the Study

This study is justified specifically by the public's outcry against the poor performance of local governments in grassroots-development. This study is therefore significant in the sense that the outcome of the investigation will serve as a feed-back to the public, the local government itself and Nigeria in general that a good financial administration in local governments is a necessary condition for grassroots- development.

This study is also justified in the sense that since indigenous literature is just emerging in this field in this country, it would generate new knowledge and offer managerial strategies and tactics which would be useful to Local government 'managers' and 'administrators' in the management of financial resources.

This study is also justified by the importance of research to the world in general. Echoing what Nisbet has said, "research must not be under-estimated, without it, universities (and colleges) do not become active centres of inquiry. Today, more than ever, we need an emphasis on basic knowledge; pure research is the foundation of technological progress; its discipline and objectivity should inspire the student who must learn that the language of nature has to be mastered if man is to advance".

Lastly, it is hoped that this work will serve as a reference text or source of information for other scholars interested in the subject of this nature.

1.5 Scope and Limitations of the Study

In undertaking a research project, its scope is normally defined with respect to geographical boundaries and time dimensions. The fixing of such boundaries is usually resorted to, due to the problems posed by the administration of large data. This study is therefore confined to "The Financial Administration of Lavun Local Government Area of Niger State from the period of 1985 - 1993. This was an era of economic boom for the Local Governments as the then General Babangida's administration endeavoured to reasonably fund the Local Governments in order to make the system productive. The obvious limitations of time, financial and other constraints on the author makes it absolutely impossible to embark on such comprehensive study that will cover the entire Local Governments in Niger State; and for the entire life span of the Lavun Local Government or a comparative study of several Local Governments in Nigeria. Hence these limitations have necessitated the choice of a case study-specifically Lavun Local Government Area of Niger State.

However, the choice of Lavun Local Government as a case study was embarked upon by the researcher to serve as a representative of similar Local Governments from whose inductive research findings will be of general application. The Local Govt also lacks visible infrastructure and recreational facilities which are available in other Local Governments.

The researcher hopes that other scholars interested in the problem will undertake a more comprehensive study of it in the future.

1.6 Statement of Hypotheses

This study will test the validity of the following hypotheses:

1. That Lavun local government is unable to generate enough revenue to finance development programmes and projects at the grassroots.

2. That the finances of Lavun Local Government are not properly managed.

1.7 Operational Definition of Concepts

The following concepts are defined as they are used in this study:

- a. **Local Government:** This is defined as government at a local level exercised by law to exercise specific powers within defined areas. They are political bodies created at grassroots level of government by statute for the exercise of government powers.
- b. **Financial Management:** Financial management, as used in the context of this study, refers to the organizational and institutional practices governing financial resource allocation and utilization either through the budgetary process or through any other arrangements that are designed to ensure optimum allocation of available resources.
- c. **Expenditure Control:** This is basically the use of laid down procedures (rules and regulations) in the disbursement of appropriated funds in order to ensure strict compliance to budgetary or legislative allocations to specific expenditure ends.
- d. **Revenue:** This refers to receipts or returns from any income-sources of a state or government.
- e. **Finance:** The term applies to the raising and administration of money, including not only the normally accepted paper and coin, but also bank credit or credit money used by governments and enterprises in the transaction of their affairs. Finance is primarily concerned with providing means of payment for any legal monetary obligation. The two major fields of finance broadly defined are public finance and private finance.
- f. **Public Finance:** It is concerned with the expenditures and revenues of governments and the means employed by governments to raise the means of payment.
- g. **Budget:** This is a financial plan serving as pattern for and control over future operations,

hence any estimate of future costs, a systematic plan for the utilization of manpower, material or other resources.

1.8. Methodology

In the words of Aristotle, "the truth on any matter has several sides which no single person could encompass in his individual gaze". Any individual could grasp a portion and it is only through the collaboration of many that the whole truth is attained". Consequently the Aristotelian influence was radiated in the chosen approach for collecting data towards this research. In order to ascertain or examine the financial administration of Lavun local government, the researcher made use of the following instruments of social investigation.

- (a) Interview (Personal)
- (b) Questionnaire } Primary Sources
- (c) Documentary sources - Secondary sources

Documentary Sources: The Documentary sources of data collection for this study included, among others the use of library sources for the general understanding and grasp of existing literature on the subject. It includes published books, magazines, periodicals, newspaper publications, seminar papers, file records, calendars, house journals, official reports, memoranda and minutes.

Through these sources it was possible to obtain relevant information on financial administration of Lavun Local Government area of Niger State.

Interview: The second instrument of investigation is the interview. Interviews were designed to obtain further information to supplement the other sources of data collection as no one method can be completely reliable in a study of this nature. Some top elites or executives of the local government were interviewed personally; they were the local government Chairman, the Secretary, the Treasurer, the Director of Personnel, the Internal Auditor and the staff officer

in-charge of records.

The purpose of the interview was to obtain official information about the sources of revenue of the local government and how the revenue so generated are being managed to attain the objectives of grassroots development.

Before the date of the interview, a copy of the questions addressed to the interviewee and a covering letter of introduction were sent to the respondents.

Questionnaire: The questionnaire was designed to elicit the following responses from the respondents:- Information about the sources of revenue of the local government and financial administration of the local government; the problems incurred in the process and the plausible remedies to the problem.

Two sets of questionnaires were constructed and administered on two different population. The first and second sets were designed for the senior staff, and the intermediate and junior staff of the local government respectively. The questionnaires were designed to obtain information about the sources of revenue of the local government and how these financial resources were being managed for grassroots development.

Population and Sample size:

The researcher surveyed the following classes of the Local Government Staff:

- a. The senior staff
- b. The intermediate and junior staff
- c. The top executives of the local government
- d. The heads of departments

A total of 220 staff were surveyed. The heads of departments were surveyed and personal questionnaires were also administered on them. The chairman, the secretary, the local government treasurer, internal auditor, Director of Personnel were also separately interviewed.

Problems of Data Collection

It is necessary at this stage to disclose a bit of my experiences and handicaps in the

process of gathering data for this project.

The first step was that of meeting top officials to book appointment for interview as well as to distribute questionnaires to the various respondents. The protocols in administrative process posed difficulty in getting easy access to the top officials of the local government who were always very busy. Despite explanation to the fact that the exercise was purely for academic purpose, some of them refused to accept the questionnaires. Surprisingly too, most of the top executives of Lavun Local Government never kept appointments, rather they kept on disappearing from the office on each appointed date on the pretext of being carried away by unscheduled and very urgent official duties. A lot and more who collected the questionnaires either refused to complete or claimed to have misplaced them. Their usual flimsy excuse was that of being too busy. That singular behaviour stared big frustration in the face.

Although, I was issued with a letter of introduction by my department, some officials of the Lavun local government still refused to co-operate to let me glance at appropriate files and records. The excuse was that these were classified "top secret" documents and must therefore be kept secret. Apart from the refusal to allow me access to the documents, others equally declined to offer useful information during interviews. Every attempt to explain to them that any information gathered would be treated confidentially, fell on deaf ears.

Nevertheless, through concerted efforts and the co-operation of some members of the local government and certain individuals, some information and data were obtained on the basis of which this thesis has been written.

1.9

Plan of the Study

The research study is designed to contain five chapters. Chapter one is an introductory chapter, which contains the statement of the problem; the aims and objectives of the study; the significance of the study; statement of hypotheses; operational definition of relevant concepts;

scope and limitations of the study; plan of the study and the methodology or procedures for collection and analysis of the data.

Chapter two deals with a review of related literature. The researcher has tried to present in this chapter some of the major works that have been done on the subject and their relevance to the present study.

Chapter three contains the history and development of local governments in Nigeria; a brief historical background of Lavun Local Government; functions or roles of the local government, organizational structure of Lavun Local government; sources of revenue of the local government and the Accountability and Control of Finance, budgetary processes and procedures in the local government.

Chapter four presents the data collected for the study. It shows the analyses and interpretations of the data in accordance with the hypotheses presented in the introductory chapter.

Chapter five is the concluding section of the study. It contains the major findings; conclusions and recommendations for improvement on the subject matter. It also contains some revelations on the possible areas where more research could be made to further the course of knowledge.

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CHAPTER TWO

2.0. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 LITERATURE REVIEW

The idea of literature review in this study is to use scholarly accepted scientific work to provide a kind of working guide, frame or base for the analytical discussion of the subject matter, which will not only contribute to the rational understanding of the study but will greatly improve the level of accuracy of our scientific judgement. Since the study in chapter one has to do with the financial administration in Lavun local government, it might be rewarding to start with an examination of what is financial administration.

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Financial management stands out prominently as a major managerial function in any organization, be it public or private. According to R.C. Chambers, "financial administration or management is concerned with the series of managerial tasks including decision-making, facilitation and review which are directed to the provision, use and disbursement of the economic resources of an entity in ways consistent with the functions of the entity." R.E. Brockington also defines financial management as "that part of the total management function concerned with effective and efficient raising and use of funds."

From the above definitions, financial administration involves the forecasting, planning, organising, directing, coordinating and controlling of all activities relating to the acquisition and application of financial resources of an undertaking which could be either privately or publicly owned in keeping with its financial and other socio-economic objectives.

For the public sector, the most common of these objectives include control, accountability, resource allocation and resource generation. These in a nutshell define the scope of financial management in the public sector.

Public financial management involves the control and direction of national economy for the overall economic and social development of a nation. In a very simple form, it means government financial administration is the process by which a governmental unit obtains money and the methods employed in expending it in accomplishing public aims..

Financial administration, according to Halidu I. Abubakar, refers to the organizational and institutional practices governing financial resource allocation and utilization either through the budgetary process or through any other arrangements that are designed to ensure optimum application of available resources.

Quite a lot of work has been written on local government finance though not much has been done on the financial administration of local authorities in Nigeria.

Stephen Ajayi Dada, in his studies on financial management of Irepodun Local Government area of Kwara State, argues that conscious efforts were not made to improve the system to suit the yearnings and wailings of the masses. He said the abuse of offices, mismanagement and mis-direction of the funds of the local government were responsible for the low level of development in the local government. He also identified community tax, licences, fees, fines, rates, rents grants, statutory allocations, loans interest on investment funds etc. as the main sources of the revenue of the local government. He however argues that the funds available to the local government were inadequate to meet its challenging responsibilities. Stephen then recommended that the State Government should stop delaying, withholding and refusing to pay the local government its dues from the federal and state governments and stop its incursion into local taxation. The local government should also be allowed to raise internal and external loans to finance capital projects. Finally, he said the financial control system in public services in general needs complete overhaul to allow for probity and effective public accountability.

In his studies on local government financial administration in Kaduna State, Mohammed

Jumare (1981) concluded that if local government institutions in Kaduna state failed to become efficient instruments of development, the fault partly lie in fiscal administration. He said that the local governments in the state, apart from their inability to assess their dues correctly, they have also failed to realise what they have been able to assess and that what they collected from the people and from federal and state governments (taxation, grants, statutory allocations) were not utilized properly and efficiently. These defects in the fiscal administration of the local governments, he attributed to defective laws, rules and procedures and to the attitudes of local government officials.

Jumare also identified the socio-economic and political influences as some of the factors affecting adversely the financial administration of the local governments. The type of political situation with a particular locality determines both the socio-economic position of the population and also the extent to which the collection and the administration of the finances are affected. Jumare also saw the financial memoranda which regulate the local government financial arrangements as out moded and not geared to management concept but only control elements. He finally suggested that the local government should be able to control the revenue accounted for in full and on time. The local government annual estimates should be based purely on needs criteria after very careful and realistic assessment of both revenue and expenditure. The accounting records must be strictly kept and maintained to the required standard as this is the only way that management and control could be possible. The treasurer and all accounting staff of the local government should be personally and particularly held responsible for any misappropriation of public funds and that any fraudulent activity should be dealt with immediately. All the local government creditors should be charged to court for default and lastly, government staff who are in arrears should be compelled to balance up or else they should not be advanced any funds for any purpose until they finish the repayment of that loan.

To Jumare, without these control measures as highlighted above the financial

administration of the local government can never be effective. It is only when there is control that we can hope for management and its efficiency.

Abdulsalam, in his studies on local government finances in Bauchi state, says that the success of any local government will to a great extent depend on the way financial management is planned and operated. To him, all the departments of a local government play important roles in the management and control of finances but the Treasury department is primarily responsible for the overall management and control. He argues further that the treasurer always ensures that all the monies collected in the name of the local government are brought to account. To ensure effective and efficient management control of local government finances, Abdulsalam suggested that local governments should take a look at the range of traditional sources of revenue with a view to selecting those which they can adopt in order to enhance their finances. The local governments should establish an effective internal audit section responsible to the local government chairmen who will carry out checks on the financial operation (pre and post payment) of the local government.

Abdulsalam, however, placed too much emphasis on the role of the local government in the management and control of the finances of the local government. This is because it is not easy to pinpoint the financial manager(s) in the public sector in general. The financial management and control of the local government, like any other public sector, involves the activities of politicians, bureaucrats etc. Even Halidu I. Abubakar confirms this when he said that "each level of employees has financial management responsibilities in terms of control, accountability, resource allocation and management, and of course resource generation. Every employee has a responsibility to ensure that public money is used for public purposes.

Ojobo, et al did some studies on organization for financial administration at state level,

using the then Gongola State government as a case study. They said that public financial administration involves the control and direction of a national economy for the overall economic and social development of a nation. In other words, public financial administration is the process by which a governmental unit obtains money and the methods employed to expend it in accomplishing public aims. They identified two major sources of revenue for the Gongola state government - internal and external. The internal sources include the amount realized by the state from both tax and non-tax sources. The tax source includes, personal income tax, property tax, sales tax etc. The non-tax sources are made up of fines, fees, licences, earnings, sales, rents of the state government properties, interests, repayments. The external sources include statutory allocations, grants and loans.

They identified the problems of financial management in Gongola state - inadequacy of control measures, shortage of properly trained and well qualified personnel; the global problem of the accounting system used in government, which is seen basically as a control device for public receipts and expenditure rather than all encompassing system of performance evaluation and managerial control; the weakness and in adherence to the institutional arrangements for ensuring control and accountability (e.g. Public Accounts Committee); fraud and lack of computers.

Ojobo, et.al., therefore recommended that for any efficient and effective management of finance of the state, there should be proper reorganization of the techniques and procedures currently being used for preparing budgetary estimates; the institution of more dynamic auditing system, and the need to recruit, train and maintain quality and quantity of professionally qualified public sector accountants.

Halidu I. Abubakar in his studies on the management and control of local government and control of local government finances, highlights the role and efficacy of government estimates

and the financial memoranda (FM). The focus of his study was on how these two policy instruments have influenced expenditure decisions of local governments. He found out that the Financial Memoranda for instance, is outmoded and therefore out of tune with the requirements of efficient utilization of resources. The Financial Memoranda is still designed as if the local government treasurer is hardly literate and therefore should be guided by rules and regulations that allow him even the faintest use of his initiative. Again, the accounting requirements of the financial memoranda are too cumbersome and do not allow for innovations in local government accounting even when it has been determined that such innovations are desirable. In the light of the problems he identified, he recommended a comprehensive review and restructuring of the financial memoranda and as for local government estimates, a concerted attempt should be made to de-emphasize the 'treasury centred' approach to budgeting; instead "Budget and Planning Unit" located preferably in the office of the Local Government Secretary should be set up. He concluded that regardless of the amount of funds that flow to the local governments, without a responsive and dynamic arrangement for financial management and control, the local governments are not likely to make significant contributions to development efforts.

Eniola Olushola Omole stated that financial management incapacities on the part of local governments, particularly the newly created ones, brought about as a result of the general shortage of economic and administrative development, have to be regularly monitored. He said, this is important if tax-payers money is to be judiciously utilized not only for the payment of salaries but also for the economic development of communities they serve through improved standard of living, measured by increased per-capital income, high rate of employment, low rate of inflation and declining income inequality among income groups.

In the view of the researcher one can conclude from the reviews of related works on Local Government finances, that defective fiscal policy will have negative results on the resource generation of the Local Governments. For instance, the revenue collectors in most cases failed to

assess the tax payers correctly and where the assessments were done fairly, they failed to collect what have been assessed. Of note is the aspect of 'property ratings' which was non-existent in practice. Where property tax is effectively and efficiently handled, the Local Government is sure to yield substantial revenue from it.

The attitude of the functionaries in the Local Government goes a long way to determine the level of the effectiveness of financial control that the public experiences. Although the accounting procedures contained in the Financial Memoranda clearly spell out areas of operations for each officer to enhance effective control system, the attitude of the staff leave much to be desired in the sense of proper accountability.

2.2 **Theoretical Frame work**

The theoretical framework for this study of Lavun Local Government lays much emphasis on the effective and efficient management of public funds. This is because of the two major setbacks noticeable in the country's public sector financial administration.

These are:

- a. Structurally weak control mechanisms with variety of loopholes, which have tended to *allow for easy sustenance of corrupt practices.*
- b. Lack of sense of direction with regards to ethics of accountability in the conduct of public affairs in the country.

Having highlighted these, emphasis is laid upon the two key words, "control and accountability" within the context of financial management in the public service.

i. ***FINANCIAL CONTROL***

In simple terms financial control is the system of public accounts and audit that ensures that funds meant for the public are used to execute public projects or at least for public purposes

for which they were statutorily appropriated.

The terms control function within government financial management ensures that government transactions are conducted in accordance with laid down procedures, rules and regulations. Control can be both internal and external, pre or ex -payment depending on the given circumstances. This is partially achieved through division of labour. In conventional practice, auditing is a major instrument for ensuring control both internally and externally. There are three distinct characters identified as bedrocks of statutory auditing particularly in countries like Nigeria. These are: Accounting, Appropriation and Administrative. The issue of accounting focuses on the detection of fraud, which can be as a result of technical error or errors of principles (i.e. not conforming with the generally accepted accounting principles). The Appropriation purpose attempts to ensure that items of expenditure have been charged to the appropriate subject heads of accounting without exceeding the estimates provided in the manual. The third aspect which is Administrative is charged with the responsibility of ensuring that expenditures have been incurred only in accordance with the rules and regulations contained in the accounting manual. Of importance also, is that these expenditures have been approved by a competent authority or duly designated officers in the public service. The concept of control is likely to generate an audit report which may somehow look scanty in presentation from the angle of audit control. Hence the concern with "value for money" which provides an operational interface between financial control and accountability. Auditing therefore is deemed to be an ideal instrument of accountability when due emphasizes is laid on "Value for money" in the financial activities of the government.

Hepworth (1978: 219) also suggested that "The systems for controlling expenditure should ensure that at the end of each financial year, a review is undertaken of actual spending compared with budgeted spending. Variations should be reported to the appropriate spending Department or committee and explanations sought with appropriate action being taken to tighten

up controls as necessary including the disciplining of management" This he asserted would ensure meeting "one of the main functions of the budget - expenditure control", otherwise, the whole purpose of budgetary control is lost.

ACCOUNTABILITY

Accountability as a cherished goal of every government still remains a much misunderstood concept. The best definition that can be made is within the frame work of financial management. In this case, accountability can be defined as a desirable and hopefully attainable goal, not only in the management of public funds, but also in the management of public trust.

According to the United Nations (UN) manual for government accounting and budget execution, accountability is a "legal liability involving the establishment of a pattern of control over receipts and expenditures that permit a determination either by the executive or the legislature or both, that public moneys have been used for public purposes". The definition though not without its usefulness, tends to impose a constraint to a more broad-based understanding of the concept. The constraint here is the fact that accountability is merely treated as a legal liability.

Other useful and functional definitions proposed by writers like Etzioni, McKinney and Howard, and Stewart provided frame works within which the concept can be appreciably applied to practical administrative and legislative purposes.

In Etzioni's prepositions, accountability has three popular facets;

1. Greater responsibility to elected superiors
2. Greater responsiveness to community groups and
3. Greater commitments to "Value and higher standards of morality"

McKinney and Howard (1978: 417) view accountability as: "responsibility to account for stewardship of resources or authority". They identified five facets of what they think constitute

different types of "accountability" the function which is discharged by the administrators or bureaucrats, these include:

1. **Fiscal Accountability:-** Responsibility for public funds.
2. **Legal Accountability:-** Responsibility for obeying laws
3. **Programme Accountability:-** Responsibility for carrying out a programme.
4. **Process Accountability:-** Responsibility to carry out procedures
5. **Outcome Accountability:-** Responsibility for results

The Chief Executive of an organisation in normal and ideal situation, will be expected to have a combination of responsibility involving all the five facets. For example, programme accountability will necessitate use of fiscal, legal process and of course outcome accountabilities.

Having the same class of theory Stewart (1984) in his own theory, provided another clear picture of the different levels of accountability. He identified five levels of accountability known as ladder of accountability. He argued that little or no progress will be made without considering the requirements at each rung of the ladder. Each rung is concerned with a particular event at specific point in time. With this, one can then establish the level of accountability, and who should exercise sanction over whom. See figure 1 below indicating Stewart's ladder as illustrated by Tomkin (1987) in the figure below:

1. Policy Accountability - selection of policy pursued and rejected.
↑
2. Programme Accountability - establishment and achievement of goals.
↑
3. Performance Accountability - efficient operation.
↑
4. Process Accountability - using adequate measures.
↑
5. Probity Accountability - complying with laws and regulations.

Figure 1: Stewart's ladder on level of Accountability

This model of accountability presupposes that different groups and different information net work are involved at different levels of accountability.

In summary therefore, and using the definition of Day and Klien; (1987: 4-5)
"Accountability begins with individuals in simple societies. It ends with institution in complex societies.... even at its simplest in the relationship between individuals, accountability presupposes agreement both about what constitutes an acceptable performance and about the language of justification to be used by actors in defending their conduct... to talk about accountability is to define who qualifies to call for an account and who owes a duty of explanation."

The researcher's line of thought of the conception of accountability, is that which functionally sees the concept as consisting of a wide range of responsibilities, each of which incorporates the other.

With regards to the study, we shall propose that accountability in the context of a civil service bureaucracy, be viewed as responsibility both in legal and moral terms to the public, all in a bid to ensure that public funds are spent for public purposes within the limit of the existing rules and regulations and that the best value is obtained for money spent.

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CHAPTER THREE

3.0 HISTORICAL BACKGROUND OF LAVUN LOCAL GOVERNMENT OF NIGER STATE

3.1 A Socio Economic Profile of Lavun Local Government

Lavun Local Government was created out of Bida Division in 1976 as contained in the Local Government Edict of 1976. The edict was passed by the then Military Governor of Niger State, Commodore Murtala Nyako.

The Local government as at that time consisted of four districts namely, Kutigi, Jima/Doko, Mokwa and Kede with the population of 259,390 contained in a booklet. The interim council members then consisted of Alhaji Ndagana Jebba as Chairman, Alhaji Muhammad Egba Enagi, Secretary and Alhaji Kolo Kutigi was appointed treasurer for the Council. Other nominated members were Muhammed Maimi Zana, Adamu Kuta Lefiti, Mamman Gana Doko and Alhaji Nasiru Mokwa.

Lavun Local government is located south west of Niger State with a population figure of 238,312 according to 1991 Census result.

When in September 1991, the Mokwa local government was created, being excised from Lavun Local Government, more districts were created in the Lavun Local Government. They are Kutigi, with headquarters at Kutigi, Doko with headquarters at Doko while Manigi has its headquarters at Makera. The headquarters of Dabban district is Dabban. Others districts are Sakpe, with headquarters at Sakpe, Gaba with headquarters at Gaba and Jima with its headquarters at Jima. Enagi district has its headquarters at Enagi.

The Lavun local government is naturally blessed with many rivers, including Kaduna

river flowing through the heart of Lavun local government area and from which it derives its local name of the river-Lavun.

The major towns in the area include the followings: Kutigi, Enagi, Dabban, Sakpe, Gonagi, Doko, Gaba, Jima, Makera, Batati, Gbangban, Mambe, Dancitagi, Wuya, Kutiwongi, Edati, Guzzan, Bussu, Zhigun, Lagun etc.

The main occupations of the people of Lavun local government area are farming, weaving and fishing with the following agricultural products: guinea-corn, rice, maize, cassava, sugar cane, banana/ plantain, cotton, bambara nut, ground nut, mellon, cow peas etc.

Art and craft form secondary occupation of the people of the area. The vast expanse of virgin land and the hills that surround the area, especially the headquarters of the local government Kutigi and Edati plateau that span for 30 kilometres are obvious repositories of rich mineral resources. There are large alluvium along the Kaduna and Niger rivers, which in association with rock formations have stored rudiments of minerals.

Deposits of clay and kaolin are to be found at Kutigi and Batati. Clay can be used in the production of tiles, bricks, refractory wares, pottery making, sanitary fixtures, etc. Industrialists can exploit kaolin which is the white form of clay for the manufacture of fertilisers, insecticides, adhesives, paints, crayon, textiles, cosmetics, etc. Apart from this, large deposits of high quality silica abounds at Wuya that can be used for glazing of ceramic products such as white wall tiles, table wares and glass. Recent geological surveys have established the presence of iron ore deposits at Batati, Jima and Enagi while limestone is available in nearly all districts of the local government.

The present Lavun local government area, share common boundaries with Mokwa local government at Ikokpata river along Abuja-Lagos high way and with Wushishi Local Government at Manigi village which is Lavun Local Government. The local government also shares

boundaries with Gbako Local government at Wuya, and with Mariga Local government area at Tunga Gero area which is part of Lavun local government. It also shares boundary with Bida local government area at Chanchanga.

3.2 The Goals and Objectives of Lavun Local Government

The main objectives for the creation of the local government in 1976 were contained in the guideline for the local government reform by the defunct federal military administration, these objectives were:-

- a. To make appropriate services and development activities responsive to local wishes and initiatives by devolving or delegating them to local representative bodies.
- b. To facilitate the exercise of democratic self-government, close to the local levels of our society, and to encourage initiative 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).

3.3 The Functions of Lavun Local Government

It is generally agreed that no central government can satisfactorily administer a local government effectively from the capital through the personnel based at the headquarters. It logically follows that there is need for a form of decentralisation that will enable the government to reach out to the people at the grass root level. Although there is a notion that government agencies can meet certain needs of the people at the local level, it is natural that people will like to participate in the determination of the policies that affect them. Based on these premises, a

properly organised local government system under which people of particular geographical area are involved in running their local affairs, seems to be more acceptable than a deconcentrated form of administration where central government officials, without adequate knowledge of the purely local needs, are in control.

One of the principal aims of having a local government, is to provide a means of running services of all kinds, which are tailored to the particular needs of the particular district and which can be given attention, because a local authority has the knowledge and time to concern itself with such details.

The further realization that in big a developing country like Nigeria, majority of the population live in the rural areas with difficult communication problems makes it almost impossible for the central government to reach the people. The importance of local governments can therefore not be over emphasized. Further reasons for having local governments include the provision of cheaper labour services, making available a wider political representation, providing a means of having public administration and establishing an effective base for the collection of basic statistical information for economic planning. These factors suggest clearly that local governments will be meaningless ventures they have no real powers and function.

Today the Lavun local government has the following main functions to perform in addition to any other ones that may be granted to it from time to time by the Niger State Government.

- a. The consideration and the making of recommendations to Niger State government or Commissions on economic planning or any similar body on
 - i. The economic development of the State
 - ii. Proposals made by the said communion or body;
- b. Collection of rates and licences

- c. Establishment and maintenance of cemeteries, burial grounds and homes for the destitute;
- d. Licensing of bicycles, trucks, wheel barrows and carts.
- e. Establishment, maintenance and regulation of markets, motor parks and public conveniences.
- f. Construction of roads, streets, drainages and other public facilities as may be prescribed from time to time by the Executive Council of Niger State.
- g. Naming of roads, streets and numbering of houses
- h. Provision and maintenance of public conveniences and refuse disposals
- i. Assessment of privately-owned houses or tenements for the purpose of levying such rates as may be prescribed by the Niger State Executive Council.
- j. Registration of all births, deaths and marriages.

Other functions assigned to Lavun local government council by the Niger State government as follows:

- i. The provision and maintenance of primary education
- ii. The development of agriculture and natural resources
- iii. The provision and maintenance of health services, and
- iv. Such other functions as may be conferred on Lavun local government by the Executive Council of Niger State.

3.4 Sources of Finance of Lavun Local Government

The major sources of finance of Lavun local government are as follows: Taxes, local licences, statutory allocation, loans and investments and miscellaneous sources of revenue.

a. Taxes

This is one of the oldest and commonest source of revenue throughout the country. This type of source-taxation is defined as the money charged by government to meet its needs.

Taxation is an important tool of fiscal policy and it is used extensively in all spheres of government policy in the process of resource creation, allocation, distribution and stabilisation.

Taxation provides one very dependable and elastic source of revenue to Lavun local government; it extracts the following taxes from its populace.

- i. Community tax
- ii. Jangali tax (Cows, sheep and goats tax)
- iii. Personal Income tax

b. ***Licences, Fees, and Rates***

The Lavun local government raise funds through licences, fees and rates. They do this by issuing licences for hawking, possessing dane guns, selling native liquor etc. Revenue is also derived from charging fees on forest resources, market stalls, motor parks, slaughter slabs, dogs etc.

The collection of these revenues by Lavun local government is done by the revenue collectors in their respective assigned districts. While coming to the collectors, they come with all their records and receipts used for checking. When their records have been checked properly and the money is paid to the treasury, they go back with their records and their partly unused receipts to arrange for further collection.

c. ***Grants***

Generally, grants are financial assistance given by government and other corporate bodies to local governments in different forms. These grants may be recurrent and are given yearly based on a continuing performance basis. Grants take various forms:

- i. Statutory grants which are given to the local governments to encourage them to spend more money on their social services and to employ more highly qualified staff to administer these services.
- ii. Unit grants which are given where it is possible to determine the unit of services - e.g.

adult education grants.

- iii. Block grants which is a form of unconditional grants paid to the local government to compensate them for the cost of revenue to higher authority.
- iv. Equalisation grants which are paid in recognition that the revenue to be raised for such particular essential service will not be enough to meet the maintenance of such services. The government therefore comes in to pay a subsidy to meet the excess of expenditure over the revenue in respect of the particular service.

d. ***Interest on Investment***

Apart from spending their surplus funds on capital developments, Lavun local government is empowered to invest portion of its surplus funds. The local government invests their money with the Accountant General of either the State or Federal government, or local banks in the country, on short term basis, or investments can be made outside the country through agents overseas on long term basis. The Lavun local government had its money invested in the Bank of the North on short-term deposit basis through transfers from the local government's current accounts.

e. ***Miscellaneous Sources***

The local government council collects fees for various services provided by them, such as for granting individuals and institutions the right to use the council's property, market fees for living or renting thie local government's stores in the markets, forestry fees and royalties for exploitation of council on community forests.

The local government also impose and collect fees for regulating or restricting their citizens' activities in the general interest of the communities health and welfare, e.g. eating houses licences, fees for special and control of general sanitation of the public restaurant and eating houses. Slaughter fees are also collected by the local government for the inspection of the

animals by the health staff of the local government. The local government also collects fees on all commercial vehicles through the loading of passengers or goods, inside the motor parks and for overnight parking purposes.

Other types of revenue collected by the councils under this item include sales of produce by the Agricultural department, workshop receipt collected by the Supervisor of Works; or services offered to the public by the Works department; proceeds realised from the sales of unserviceable equipments.

Virtually all the local government councils in the State collect property rates. The rates take into account the location, structure and size of the building. There are pipe borne water charges if the pipe borne water is provided by the Niger State government.

f. *Statutory Allocation*

The 1979 Constitution of the Federal Republic of Nigeria section 160 to 166 talks about public revenue. As it affects local governments, we have it as follows:- Section 2: "Any amount standing to the credit of the federation account shall be distributed among the federal, state and local governments in each state on such terms and in such manner as may be prescribed by the National Assembly".

Section 4: "Any amount standing to the credit of local governments in the federation account shall be allocated directly to the local governments concern on such terms and in such manner as may be prescribed by the national assembly".

Section 6: Each State shall pay to the local governments in its area of jurisdiction, such proportion of revenue (excluding the sum received from the federation account) on such terms and in such manner as may be prescribed by the National Assembly.

Loans constitute another external source of fund to the local government which is more of a capital receipt. There are two ways of raising loans. These are internal (within Nigeria) and

external (foreign). The internal sources available to the local government are made up of development stock and contractor financing. The former is regulated on the advice of the Central Bank of Nigeria. The external sources are mostly long term in nature which are for financing capital projects and other development programmes. However the local government has no constitutional rights to secure loans from these external sources directly, without the consent of the State and Federal Governments as guarantors.

3.5 The Organisational Structure for Financial Administration in Lavun Local Government

It is important to note that in the public sector in general, it is not easy to pinpoint the financial manager(s) or administrator(s). This is because the work involves the activities of the politicians, bureaucrats etc. According to H.I. Abubakar, "each level of employees has financial management responsibilities in terms of control, accountability, resource allocation and management, and of course resource generation. Every employee has a responsibility to ensure that public money is used for public purposes".

Despite the above fact, there is an institutional arrangement concerning financial administration at the Lavun local government.

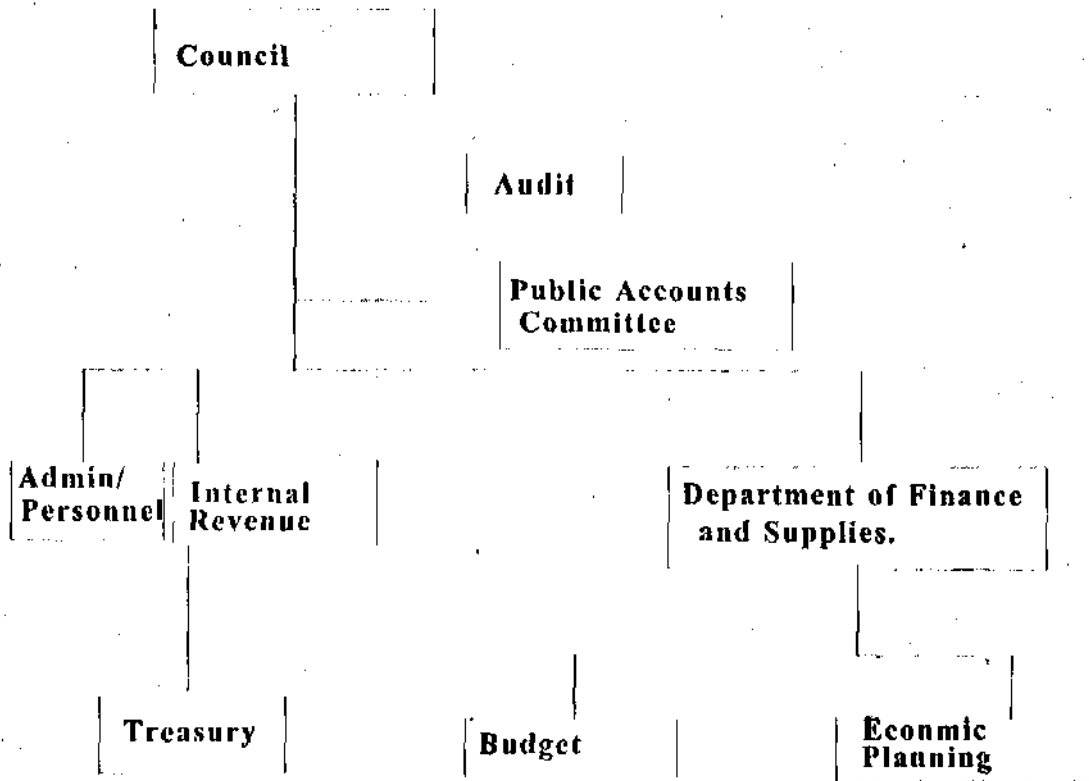
Each of these bodies perform separate functions in the overall administration of the local government finances as follows:

The Council

This can be described as the power house and it meets to deliberate on the budget. As a first step, the local government Chairman directs the Director of Finance and Supplies to start work on the annual budget. The Council is further responsible for ensuring a high standard of accounting with a view to preventing waste and fraud. It also approves guidelines for the

acquisition of internal and external loans and the local government expenditure.

Fig 1: Administration of Lavun Local Government Council



Source: Lavun Local Government Bulletin No. 6, 1991.

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The Public Accounts Committee

The Public Accounts Committee provides a quasi-judicial forum in which the administrators may be called upon to give evidence in public on matters arising from audit. The Committee is usually responsible to the legislature i.e. local government chairman and the councillors and the public at large, of defects in financial administration of the local government. The report of the Committee is always made public. The government prints the report and sells it

to the public in major languages of the local government. Secondly the committee reports to the Chairman of the Local Government Area on Public Accounts of the local government.

The Internal Revenue Division

The Internal Revenue Division is empowered to assess, collect and account for all taxes, rates, fines and fees charged by the local government, as well as the administration of these sources of revenue. It also control and supervises all other tax machineries in the local government.

The Department of Finance and Supplies

The department charged with the responsibility of formulating overall financial policies is sub-divided into sections with each performing separate financial functions. These sections are treasury, budget and economic planning and are headed by Assistant Directors. The department is charged with the controlling of expenditure, issues guarantees and affixes common seal. Further more the department has control over the Central Store (Supplies and Requisitions).

The department exercises the general management and supervision of all accounting operations of the local government. It collects all revenue, allocate funds to departments/sections, produce accounts for auditing purposes, keeps all records for accounting purposes, controls accounts and reconciles accounts.

The budget and economic planning divisions, though operating as separate entities at the local government level, work hand in hand. The former prepares advanced proposals and draft estimates and ensures maximum degree of control over provisions voted for, while the latter engages in collection of statistical data for planning purposes and formulating general economic policies for the local government.

Control and Accountability

The notion of control and accountability implies a kind of power or authority to restrain, order, direct and limit one's action within the confines of the controlling agent. Similarly the fact that every organisation has its own traits, norms and values, presupposes that it has to have an accompanying system of control to which such values will adhere; it is therefore with this understanding that the system of financial administration in any governmental set up, has to devise means of control.

The control function is essentially designed to ensure that the management of public fund is carried out in accordance with laid down procedures, rules and regulation, particularly as codified in the existing financial instructions. Devices for ensuring control of public funds can be categorised into two - internal and external control devices and are enforced through administrative and legislative means.

The local government Chairman is the chief executive and the accounting officer of the Local Government. He has the full control of his local government's resources (finances) and is fully answerable for them for the general good of the public. The Accounting Officer (chairman) for purposes of incurring expenditure delegates his power to other officers.

The local government also maintains an internal audit unit which provides a complete and continuous audit of accounts and records of revenue and expenditure.

The Internal Auditor who reports to the local government Chairman (Accounting Officer) performs the following functions:

- a. The submission of the Audit Report to his Accounting Officer and the Director of Audit.
- b. Issuance of special reports of finance and supplies department on irregularities.
- c. Where necessary, the Internal Auditor assumes the control of stock verification.

The Director of Audit in the State has crucial role in ensuring efficient utilisation of resources in the local government. Some of this functions include:-

- a. Power to surcharge and sanction any officer where required according to law.

- b. He also alerts the Governor of any audit alarm that may be of importance.
- c. Furthermore, all local governments entering into contract agreement are required to include a clause enabling the Director of Audit to have free access to the records for the purposes of monitoring contract performance.

Audit queries are other forms of ensuring control and accountability. All audit queries, are expected to be addressed to the local government Chairman and the Councillors and responded to within the time limit stipulated in the new rules governing offences and sanctions.

Another major innovation is the establishment of the audit alarm committee. The membership includes the Director of Audit who is the Chairman, the Local Government Treasurer and a representative of the Council. The Committee is expected to ensure the prevention of irregular payments before approval. It is to be considered a norm for all pre-payment audit alarms over-ruled by the Chairman to be referred to the Audit Alarm Committee. Under this system, a queried payment cannot be further processed until the Director of Audit issues a go ahead signal in writing.

3.6 The Budgeting Process in Lavun Local Government

According to Halidu, A., public budget is a comprehensive statement of government financial programme and work plan for the fiscal policies for a particular period, usually one year. It is a document referring to the financial condition of government in which information on revenues, expenditures, activities, purpose and goals of the government is systematically laid down. Budget is prospective, referring to expected future revenues, expenditures and accomplishments.

Budgetary process can be understood in term of the sequence of events in the operation widely described as the budget cycle. The budgetary process in Lavun Local Government

involves numerous participants and various processes which bring these participants into interaction. The arrangement allows the budget system to absorb and respond to new ideas and in the final analysis, government is held accountable for its actions. The budget cycle in Lavun Local Government consists of four phases:

a. ***Preparation and Submission***

By preparation of budget, it means the initial exercise of budget making whereby actual proposals of revenue and expenditure estimates are made. Submission of the budget takes place when the local government Chairman becomes satisfied that a realistic revenue and expenditure estimates have been completed and are thus ready for legislative (Councillors) review. The Chairman initially sends circular to all the Departments to submit their estimates for the coming year. These estimates go through a number of sessions and committees discussions before agreed figures are arrived at. The figures then go to the Chairman who sits with his cabinet to finalise the draft. The draft estimates are then submitted to the local government councillors (legislature).

b. ***Legislative Authorisation***

When the Councillors receive the Draft Estimates, it usually splits into committees to consider the budget in details. The local government councillors have their exclusive authority to approve money withdrawal from the statutory allocation. In the process the councillors usually invite a number of public officers like the Heads of Departments to defend their submission. After a thorough examination, the house may then approve the budget.

c. ***Execution of the Budget***

This is another responsibility of the local government. Once the councillors have approved the budget, the chairman then directs the Finance and Supplies department, to release money to the spending agencies. In each department, there are accounting as well as accountable officers. Various control devices are used to ensure that money has been spent for the purposes to

which it is budgeted.

d. **Virements/Augmentations:-** In the process of spending, some votes may be exhausted and if it is necessary to increase/augment such votes, two things may be applied. Provision in a more liquid vote may be transferred to the exhausted one through virement warrant. If the money has to come out from the statutory allocation, then special warrant is necessary. In both cases the councillors have to bless the transactions. At the end of every financial year, the treasuries are subject to annual Board of Surveys to ascertain the legality of spendings.

3.7 Problems of Financial Management in Lavun Local Government Area

Management's performance with specific regards to finance in the local government has been unsatisfactory. The startling revelations of the various tribunals and commissions of inquiry have shown that the finance functions of accountability and control are not properly performed neither is that of planning and management. A number of factors account for this: First is the orientation of public service in this Country. Secondly is the inadequacy of control measures and thirdly, is the shortage of properly trained and well qualified personnel. There is of course the global problem of the accounting system used in government organisations. Government accounting (Federal, State or Local) is seen basically as a control devise for public receipts and expenditure rather than all encompassing system of performance evaluation and managerial control.

Another problem facing the financial administration of Lavun local government is that the existing institutional arrangement for ensuring control and accountability are very weak or not strictly adhered to. For instance the Public Accounts Committee (PAC) exist merely on paper and the local government annual accounts are usually in arrears of up to three years.

Concerning personnel problem, there is the shortage of qualified accounting and financial staff. Financial management requires experts in the field of finance but these are few in Lavun

local government service. Most qualified people prefer to go to the private sectors where they are highly remunerated.

Furthermore, the orientation, the attitudes and values of the local government staff (public servants towards the use of public funds) negate the principles of financial administration in the public sector. In spite of the various mechanisms, public officers still find loopholes to defraud the local governments of substantial revenues.

Coupled with the shortage of manpower, is the breakdown of the calculating machines used in the treasury and other sections of the department of Finance and Supplies. While it is thought that the provision of these machines could help ease accounting procedures, this hope is usually short lived as they have constantly been breaking down. With this limitation, even the audit department has not been effective in carrying out the main duties of post-payment auditing.

Another problem is that when the audit department suspects fraud or other financial irregularities, it sends queries to respective sections or departments. These queries are hardly responded to, despite constant reminders and warnings from the audit staff.

The budgeting system that operates within the local government financial management scene, is another problem area. For instance, the present incremental approach to budgeting emphasises expenditure. This intensifies conflicts between the operators of the local government and the programmes evaluating sections, the former seeing the latter as adversaries interested only in reducing the size of the proposals. This gives rise to deliberate inflation of estimated expenditure with the hope that the final budget figures would be favourable to them.

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CHAPTER FOUR

PRESENTATION AND ANALYSIS OF DATA

4.0 ANALYSIS OF DATA

As indicated in the introductory chapter, three instruments of investigation were used viz documentary sources, interviews and questionnaires. Two sets of questionnaires were applied; first was to thirty (30) senior staff of the Local Government. The second set of the questionnaires was for three hundred (300) intermediate and junior staff of the Local Government randomly selected from all the departments.

Out of the thirty (30) questionnaires that were administered on senior staff, twenty (20) or 66.6% of them were filled and returned, while two hundred and sixty (260) or 86.6% of the intermediate and junior Staff of the Local Government returned their completed questionnaires. The tables below show the responses elicited from the respondents.

Table 1: Summary of Responses Financial Management Assessment of the Lavun Local Government - Senior Staff

No. of questionnaires Administered - 30

No. of questionnaires returned - 20

Key: A = Good, B = Fair, C = Poor, D = Very poor

Quest. Headings	A	B	C	D	TOTAL
Revenue generation drive	-	3	5	12	20
Expenditure control	-	4	6	10	20
Job Security	-	5	10	5	20
Development Areas/Levels	-	2	10	8	20
Score on councils achievements	-	3	8	9	20
	-	17	39	44	100

Source: Field survey

Table II: Summary of responses from intermediate and Junior Staff Lavun Local Government

No. of questionnaires Administered - 300

No. of questionnaires Returned - 260

Key: A = Good, B = Fair, C = Poor, D = Very Poor

Quest. headings	A	B	C	D	TOTAL
Incentives on revenue generation	-	10	30	220	260
Involvement in Decision making process	-	5	60	195	260
<u>Losses through:</u> Income (1)	-	10	20	60	260
Losses through: Expenditure (2)	-	20	50	100	
Developments/Projects Execution		10	60	190	260
	-	55	220	765	1040

Source: Field survey

Testing of the Hypothesis

Hypothesis I:

"That Lavun Local Government is unable to generate enough revenue to finance development programmes and projects at the grassroots".

A critical look and interpretation of the two tables on responses received on the questionnaires administered, revealed that both the revenue generation drive and incentive on revenue generation are very poor. In the later part of this chapter tables 4a and 4b show the current revenue and expenditure outlay of the Local Government. It is quite evident that the Lavun Local Govt very much depended on the Federal Government statutory allocation for its survival. For example the revenue in 1993 was about three million Naira only whereas the Federal Statutory allocation stood at over fifty million Naira. See Table 4(a)

Hypothesis II

"That the finances of the Lavun Local Government are not properly managed"

The expositions on the responses on questionnaires are obvious facts that expenditure

control and development achievements were rated very low. The Management of the Local Government at will, incurred expenditure on projects which were of no development significance. Using the table 4a and 4b on the Local Government revenue, it is established that expenditure far outweighs the Local revenue being generated.

Percentages were used to interpret the research findings. It was assumed that the sources of revenue to the Local Government, the budgetary procedure, the expenditure pattern of government and the internal control measures involved in financial administration, would become manifested through the pattern of the responses of the respondents. In other words, it was expected that these analysis would provide materials and evidence to confirm or negate the hypothesis formulated in the introductory chapter, by highlighting the main sources of revenue, the budgetary procedure, expenditure pattern and financial control and accountability of the Local Government.

4.1 Planning and Budgeting in Lavun Local Government Area

The outcomes of the struggles of the determination of plans and allocation of resources is normally recorded by the budget of the Local Government.

Budgeting in Local Governments link local financial resources with projected human and physical resources, in an effort to attain planned objectives and this meets the goals and aspirations of the local government towards the immediate community.

In Lavun Local Government, budgeting takes two forms:

1. Preparations of Annual Revenue estimates
2. The preparation expenditure estimates.

First, the annual estimates are prepared to forecast income levels and probable expenditure patterns of the Local Government. Finally, the preparation of annual estimates forms

the basis for assessing local government performance in orientation, development, planning and financial management.

(a) *Preparation of Revenue Estimates*

On the basis of the enabling laws, the local government prepares estimates of anticipated revenue annually and submits this for approval before actual collection begins. The preparation is always done in the finance department. The Head of the finance of the Local Government prepares the estimates by summoning the Heads of the various departments who provide the necessary information on their departmental revenue collection patterns. This is usually based on the Chairman's "call" letters.

When the revenue estimates, has been made, it is summarized in the Local Government proforma, showing each of the heads of revenue. Here, the Head of Finance enters the details of revenue according to heads and sub heads. After entering or recording the estimated revenue for each head/subheads, they are then tallied up to reflect the gross revenue expected.

(b) *Preparation of the Expenditure Estimates*

Before the preparation of the expenditure estimates is embarked upon, a directive is normally received from the Chairman of the Local Government. The circular indicates the expected total statutory allocation of grants by the State and Federal Governments to the local government. The circular cautions that the local government should make cuts on its expenditure by certain percentage, so that the net revenue would outweigh expenditure, thus no deficit budgeting were expected.

The expenditure budget is usually prepared at varying stages. In the first stage following the receipt of the Chairman's circular, the heads of departments are invited to prepare in consultation with the appropriate field officers, preliminary/draft estimates or proposal of both recurrent and capital expenditure for the services under their functional jurisdictions. These are

forwarded to the head of finance department.

In the second stage, he summaries along with that of his departmental operations, preliminary statements of estimated revenue and forwarded to the Chief Executive i.e. Chairman and the Executive Council of the local government.

The third stage is when the Executive Council meets to consider these estimates. The Executive arm essentially compares the expenditure proposals against those of the revenue. Where expenditure (both recurrent and capital) exceeds revenue, the executive arm considers various sources of actions, prominent among which are:-

- (i) What additional recurrent revenue can be raised towards meeting the excess of the recurrent expenditure.
- (ii) How excess capital expenditure over capital revenue can be met.

The revised document (estimates) is then forwarded to the legislative arm for their deliberation.

In the fourth stage, the proposals are received back from the legislative arm after they have been scrutinized, screened and debated following which the executive arm then sends the departmental estimates to the various departments. The head of departments then work on this final document as ratified by the highest law making body of the local government, the legislature.

The budget cycle is expected under normal circumstances to end before the commencement of the next financial year. Once the budget is completed and approved, naturally, the next step is its implementation through programme execution, disbursement of fund and so the administrative process continues through the years.

4.2 The Revenue and Expenditure Management of Lavun Local Government

Lavun Local Government carries out its financial obligations by means of a budget which

as earlier stated serve as a management tool that aids in giving direction, enforce financial discipline and control, that ensure that spending is done according to plans and legislative regulations, and to some extent ensure accountability.

Lavun Local Government performs its budgetary roles by having estimates divided into revenue and expenditure with the former referring to the financial resource of the local government and the latter referring to how these financial resources are to be expended on programmes and projects of needs and development of the local government.

A look at the tables 4(a) & 4(b) below show these two categories, of budget estimates:-

Table 4a: Lavun Local Government Financial Focus (1993)

Code	1993		%	1992	
	Description	Amount		Amount	%
1001	Community tax	1,850,000		630,245.00	
1002	Rates	560			
1003	General Licences	542,260		221,455.00	
1004	Commercial Undertakings	520,600		67,330.00	
1005	Property Rent	6,000		4,000.00	
1006	Dividends Interests	10,520		36,000.00	
1008	Miscellaneous	10,520		80,000.00	
	Sub-total	2,941,750	5.5	1,039,690.00	3.3
1009	Statutory Allocations:				
	State	300,000	0.5	-	-
	Federal	50,559,680	94.5	29,988,000.00	96.7
	TOTAL	53,809,650	100	31,027,690.00	100

Source: Lavun Local Government Treasury Department, Kutigi

Table 4b: Lavun Local Government Showing the Expenditure Estimates in 1993

Description	Amount	%
Personal Costs	7,554,985.00	14
Overhead Cost	25,411,497.00	47
Capital Expenditure	12,500,000.00	23
Transfer to Revenue Reserve (Surplus)	8,343,650.00	16
TOTAL	53,809,650.00	100

Source: Lavun Local Government Treasury Department, Kutigi

The two tables above represent the revenue and expenditure figures of Lavun Local Government during the financial period 1993. Table 4a shows the revenue of the local government which is divided into local revenue, that is representing internally generated revenue, followed by State revenue which comes from the State Government and most importantly the Federal revenue which represents Federal allocation (Federation Accounts) to the local government.

The two sets of revenues that are generated externally are collectively known as the statutory allocation. A close look at this table shows that Lavun Local Government cannot generate revenue on its own up to the tune of three million (₦3 million) Naira or 10% of its annual budgetary requirements. This simply means that the local government is highly dependent on the Central government for most of its monetary requirements to meet its obligations in terms of executing projects and programmes thereby negating the principle of the self sustaining, self reliant and autonomous local government status by the local government, hence the adage he who pays the piper, dictates the tune.

The Federal Government provides the bulk of the total income accruable to the local government. This when properly interpreted presupposes that the federal government to some

extent determines the level of the local government's financial activities. These activities, range from allocated and special grants for Education health care delivery, Agriculture, restrictions on loans etc to mention just a few. In such cases the Federal Government exercises control on the Local Government financial affairs through the funds it releases to the Local Government as statutory allocation. The Independence of the three tiers of the Federal System of Government as we are told is more or less on paper but in the actual sense, Local Governments are subject to central control through the quantum of the financial resources given as grants.

Table 4b on the other hand shows the expenditure of the local government revenue on personnel emoluments, upto to the tune of 14.0% of the total expenditure. This is closely followed by the overhead cost which comes up to 47.0% of the total expenditure and then capital expenditure which is 23.0%.

A critical analysis will reveal that the local government's financial resources is poorly allocated for maintaining staff of the local government. This is likely to cause serious staff dissatisfaction by way of personal emoluments and welfare and ultimately may lead to strike actions. Overhead costs come in first, as it tips the personnel cost. It is the cost accrued in a bid to help the personnel of the local government carry out their functions and duties more efficiently. In Lavun local government, the overhead cost is even larger than the cost of capital projects. Therefore, capital expenditure in Lavun local government is relegated to the background and this accounts for the low level of capital projects in the area even now.

The summary of the revenue estimates of Lavun local government (Table 4a) shows which of the sources brings in the most revenue for the local government from amongst the sources of revenue mentioned. Rents and rates do not produce anything substantial and so also are the miscellaneous sources which used to be substantial in terms of revenue contribution but now have gone down.

Taking these items one after the other and comparing them with those of past years, one will discover that each year, there is relative increase in the amount of revenue heads, except for the dividends earnings and miscellaneous items. It is worth noting here that these increases do not suggest an improvement in the revenue generation capacity of each sub-head but rather it is mostly due to the inflationary trend in the country's economy and the value of the national currency (deregulation of Naira) which had constantly been on a downward trend.

For instance, if one takes the revenue generated by Head 1001 in 1993 and compares it with that of 1992, there seems to be a sharp increase in the capacity of taxes in revenue generation, but a close study of the inflationary trend between the two periods will show that there isn't much increase at all.

The government (Federal and State) allocations to the local government are not only the main sources of the local government's finance, but they have consistently been inevitable through the years. For instance, in 1992, the actual statutory allocation to the local government was ₦29,988,000.00; this same Head 1001 had risen drastically to ₦50,559,680 by 1993. This shows the level to which the local government's autonomy has been gradually eroded by its dependence to a greater extent on the centre (federal) for funding.

When one looks at the summary of revenue estimates (1993) as shown above, one finds that the local government got most of its revenue through statutory allocation which brings in most of the total revenue.

In the table 4c above, taxes take the second place in terms of revenue generation. Local licences, fees and fines followed suit, while earnings from commercial undertakings, interest and dividends then follow, thus constituting the major sources of revenue to the local government during the 1993 financial year. Political autonomy is supposed to go along with financial security, which the local government, and most local governments in Nigeria cannot boast of. *Local governments seem only to be a tier in principle and not completely capable of existing on their own as the case should be.*

The table 4c below shows the recurrent expenditure pattern of Lavun Local Government in the 1993 financial year. Also available on the table is the recurrent expenditure of the 1992 fiscal year. A look at these two figures shows that there exists a tremendous increment in the financial expenditures in 1993 as compared with the 1992 fiscal year. While the 1992 recurrent expenditure stood at ₦21,372,855 and that of 1993 recurrent expenditure jumped up to about 93% i.e. ₦41,309,650.

Table 4c: Lavun Local Government Showing Summary of Expenditure Estimates

Description	1992 Amount	%	1993 Amount	%
Personal Costs	4,406,535.00	15	7,554,985.00	14
Overhead Costs	13,965,227.00	45	25,411,497.00	47
Capital Expenditure	9,654,835.00	31	12,500,000.00	23
Transfer to Revenue Reserve (Surplus)	2,901,093.00	9	8,343,168.00	16
TOTAL	31,027,690.00	100	53,809,650.00	100

Source: Lavun Local Government Treasury Department, Kutigi

The table below (4d) represents the summary of capital expenditure budget/estimates comparatively for the 1991, 1992 and 1993 fiscal years. A critical look at the table shows that the local government attempted to incline its capital expenditure pattern towards the economic sector as 60% and 34% of the total capital estimates were allocated to this sector for the 1992 and 1993 fiscal years respectively. Strictly speaking however, the large sums allocated to Head 4008 - Roads and Bridges may be difficult to recover even on the long run.

The next area of focus was on the Area Development sector. The allocation to this sector

Table 4d: Lavun Local Government Area of Niger State Capital Expenditure Summary

Code	Details	1991 Approved Amount	%	1992 Revised Amount	%	1993	%
4001	A. Economic Sector: Agric. & Rural Dev.	440,000.00		270,000.00		2,280,000.00	
4002	Livestock	100,000.00					
4003	Forestry	60,000.00					
4004	Fisheries	40,600.00					
4005	Manufacturing Craft	-					
4006	Rural Electrification	400,000.00					
4008	Transport	750,000.00		5,500,000.00		2,000,000.00	
	Sub-Total	1,790,000.00	28	5,770,000.00	60	4,280,000.00	34
4009	B. Social Services: Education	?		200,000.00			
4010	Health	170,000.00		1,100,000.00		1,940,000.00	
4011	Information	120,000.00					
4012	Soc. Dev. Sport & cul	140,000.00					
4013	Fire Service	-					
	Sub-Total	430,000.00	7	1,300,000.00	13	1,940,000.00	16
4014	C. Area Development Water Resources	300,000.00		425,000.00		500,000.00	
4015	Env. Sewage & Drain	710,000.00		65,000.00		1,530,000.00	
4016	Town & country Plan.	481,000.00		1,180,000.00		1,250,000.00	
4017	Community Dev.	-		-		-	
	Sub-Total	1,491,000.00	23	1,670,000.00	17	3,280,000.00	26
4018	D. Administration General Admin.	760,000.00		-		-	
4019	Staff Housing	1,700,000.00		650,000.00		2,500,000.00	
4020	Workshop	-					
	SUB-TOTAL	23,460,000	38	650,000.00	7	2,500,000.00	20
4021	E. Loan Repayment & Interest: Repayment of Tractor Loan	272,035.00	4	264,835.00	3	500,000.00	4
	GRAND TOTAL	6,443,035.00	100	9,654,835.00	100	12,500,000	100

Source: Lavun Local Government Treasury Department, Kutigi

4.3 **The 1988 Civil Service Reforms and its effect on financial management in Lavun Local Government Area**

The main issue here is the effects of the 1988 Civil Service Reforms on financial management in Lavun Local Government. Following the application of the Civil Service reforms in the federal and states ministries in April, 1988, a committee was set up by the Babangida administration to see to the task of bringing the reforms to the local government level in the country as well.

The Committee in carrying out their duties stated outrightly that "a selective rather than a whole sale application of the reforms to local governments" should be undertaken. This was due to the obvious peculiarities of the Local Government Service which calls for greater care in the application of the reforms to this level of government. Thereafter, the Committee took each of the items on the implementation guidelines of the Civil Service Reforms, considered it and made recommendations. In general, most of its recommendations were accepted by government. There were however, some critical recommendations which were conservative and in progressive.

For instance, the Committee limited the spending powers of various categories of local government functionaries considerably. The Chairman of Councils with annual internally generated revenue above ₦2 million were limited to spending just ₦5,000.00, Secretaries to ₦1,000.00 and Heads of Departments to only ₦500.00 per month.

Government increased these figures tenfold. The same goes for functionaries for councils with internally generated revenue between ₦1 million to ₦2 million and those below.

Again the Committee felt that where a local government establishes a parastatal, the head of such a parastatal shall discharge his duties in a manner similar to that of the chairman. In other words, making the parastatals virtually independent of the council. Government decided that such parastatals should operate within the law establishing them. Finally, to cite just one more

example, the committee recommended that all correspondence flowing to the local government and from same should be in the name of the Secretary to the Local Government with a strong provision that the Secretary must as a rule bring such correspondence to the attention of the Chairman, on a daily basis for directives. The government once-again decided that all correspondence shall be in the name of the Chairman to the Local Government, provided that the Chairman shall delegate the processing of such correspondence to the Secretary.

Despite these, the recommendations of the Committee on the applicability of the various parts of the reforms were taken seriously. In application of the reforms, the Chairman becomes the Chief Executive and Accounting Officer of the Local government. The Supervisory Councillors as well as the Vice-Chairman function as political heads of their various departments. Members of the Finance and General Purpose Committee in that position constitute the local government cabinet. The Secretary of Local government is the head of service to the local government and chief administrative adviser to the local government council and to the Finance and General Purpose committee. He is with the treasurer signatories to the Local Government cheques.

The local government service is spilt into two:- those at the upper echelon to be recruited, disciplined etc. by the Local Government Service Commission and those at the lower levels (01 - 06) to be recruited and disciplined locally. The Civil Service reforms forbidding the posting of officers from one ministry to the other does not apply in the Local Government Service for those officers on grade levels 07 and above.

Apart from the Department of Personnel Management, Finance, Supplies, Planning, Research and Statistics, a Local Government is empowered to have not more than four other departments, reflecting the basic functions and areas of concern to the Local Government as follows:-

- a. Education
- b. Agriculture and Natural Resources
- c. Works, Housing, Land and Survey
- d. Medical and Health Service

Each department is sub-divided into divisions or branches. In all cases, the span of control shall not exceed six (6). There are no changes made in the nomenclature of heads of departments unlike in the civil service. Specialization is strongly emphasized and advancement to the very top of the ladder is encouraged as rewards, while sanctions will be based on concrete measurable performance.

Furthermore, the reform provided for a Junior Staff Management Committee (JSMC) to be established in each local government, which should consist of one representative from each department of the local government not below grade level 09, with the head of department of Personnel Management as the chairman. This committee is to determine personnel matters of local government employees on grade level 01 - 06. Appeals from the Junior Staff Management Committee (JSMC) go first to the Chairman of Council and then to the Local Government Commission and finally to government.

It is now compulsory for each local government to have a qualified accountant as its internal auditor. Though he will be responsible to the accounting officer (i.e. Chairman) the annual and monthly audit reports will be submitted to both the Chairman and the Director of Local Government audit.

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The position of Director of Local Government Audit in each State is now new and a good innovation in the light of the huge financial resources available to the local government in Nigeria today. He performs identical functions as the Auditor General performs in the federal and even at the state level.

Another creation in the service of the local government, is the Audit Alarm Committee which is expected to monitor the financial management practices of the council officials and raise alarm where irregularities exist, and laws and regulations are overlooked or broken. This Committee is expected to be a check on executive extravagance and to foster financial prudence, probity and accountability. The Local Government Service Commission has been reduced through the reforms to a watch-dog in the personnel functions in matters of finance. Local Government executive now spend their financial resources according to the stipulations of the Committee's recommendation as amended by the Government.

The above highlighted 1988 reforms where diligently followed, would evolve an ideal and enviable Local Government both in terms of accountability and physical developments. Unfortunately, this appears to be an "Utopia" nationwide.

CHAPTER FIVE

5.0 SUMMARY, RESEARCH FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

5.1 Summary

This study was concerned with the financial administration of local governments, using Lavun Local government as a case study from the period of 1985 to 1993. The study assumed that Lavun Local government was viable to generate enough revenue to finance development programmes and projects at the grassroots level. Furthermore, the finances of the local government are not properly managed to bring about physical development.

Chapter two involved a review of related literature. It dealt with various concepts and propositions in the administration and management of local government finances.

In chapter three, the researcher surveyed the historical background of the local government functions of the Lavun local government, the services of revenue of the local government, the budgetary procedures and processes in the local government and specifies the organisational structure of the local government.

In chapter four, the researcher undertook the analysis of the research data. It was discovered that finance and non-financial problems impeded development at the grassroots level in Nigeria. In Lavun local government, the 1988 Reforms have made a remarkable impact on both the organisational system and the financial management of public fund to the benefit of the rural community. With the reforms, the Chairman other than Secretary is now the Chief executive and accounting officer of the Local Government, although the Secretary still remains the chief administrative officer. Under the new dispensation, different spending limits are placed on the local governments and their functionaries; this time not according to the size of the local governments and their spending capacities but based on the principles of derivation i.e. according to their internal revenue generating capacities. One very important instrument which has been

introduced into the management of public financial system in Nigeria under the new Civil Service Reforms, is the Audit alarm system which is now extended to local governments.

This improvement in the financial management approach of the local governments with particular reference to Lavun local government area of Niger State, can be seen as a saving grace to the local government in terms of the finance management, because most, if not all of the financial problems that prevailed before 1988 Reforms have been considerably reduced or partially resolved.

5.2 **Research Findings**

The issue of findings has been discussed in chapter four. However this can be further summarised as follows:-

- i. Poor revenue generating effort by the officials of the local government.
- ii. Uncontrolled expenditure pattern; i.e. spending propensity out weighs revenue capacity.
- iii. Power is concentrated on the Chairman, often making it difficult for the subordinate staff to effectively exercise budgetary control measures.
- iv. Grassroots development is hampered as most of the expenditure is tailored towards recurrent overhead costs to the detriment of capital projects.
- v. Very weak supervision machinery to enforce revenue collection.

5.3 **Conclusions**

This study has shown that Lavun Local government has not been able to generate sufficient revenue to finance development programme in the rural areas. Moreover, the finances of the local government are not properly managed to bring about development in the rural areas.

The inauguration of the Nwosu Committee by the then Chief of General Staff, Admiral Aikhomu, to fashion out ways of applying the 1988 reforms to the local governments in the country made a remarkable impact on the reforms at the local level.

The recommendations of the Committee were accepted but some modifications were

made. The Committee recommended among others:

- i. The establishment of an Audit Alarm Committee to foster financial control, probity and accountability by the executives of the local government. More often than not, these are political statements which are far from being realistic. In Lavun Local government, there is no indication of the existence of this Committee. Financial management practices are carried out through the directive and control of the Finances and General Purposes Committee whose members also constitute the cabinet.
- ii. The creation of Department of Planning, Research and Statistics. This does not exist in Lavun Local government. What obtains is a Planning and Budget section lumped together under the office of the Head of Finance. This makes financial planning hard to be effective, as no plan (forecast) is available for use, when carrying out financial planning. All that is done during annual budgeting is just a disjointed incrementalist approach.

The Internal Auditor, though a "qualified" accountant, as required by the reforms, is subject to executive control in the local government. All these shortcomings have an untold negative effect on the financial management practices of local governments in general and Lavun local government in particular.

5.4 RECOMMENDATIONS ON GENERAL FINANCIAL ADMINISTRATION

In chapter three, a description of the diversification of the occupation of the inhabitants of Lavun local government were highlighted. They were no more than just subsistence farmers, craftsmen, and petty tradesmen and women. Tapping of other natural mineral resources like alluvium, clay and kaolin for industrial purposes even at small scales have been relegated to the background. This has brought about the relative low level revenue capacity base of the Local Government.

In order to enhance the collection drive of community/flat rate taxes, it is suggested that the services of village and ward heads be engaged with the supervision of District heads, to compel their community members to ensure prompt and accurate payment of their taxes. This will forestall any laxities and fraudulent practices of the Local Government's revenue collection clerks.

Although high-cost landed properties are not rampant in the Local Government, most people will still refuse to disclose the correct values of their properties to evade heavy assessments of their rates. It is therefore suggested that properties be grouped in three or four categories and appropriate rates fixed for each category. This exercise can be done by the Local Government's Estate Officers instead of engaging the services of shlylock Estate Valuers. The Revenue Collectors with the assistance of the District Heads etc. will then be able to achieve more in the area of collection of property rates. Caution should however be exercised while fixing these rates, as the income level of the community need to be taken into consideration.

On the issue of setting up small scale industries to make use of the natural mineral resources, the Local Government should have deliberate policies to invite both indigenes and non-indigenes to take up say one project every year for actualising. This should be funded on a 50/50 basis as a joint project between the Investor and the Local Government. Setting up of an industry has the added advantage of reducing unemployment of young school leavers as well as the creation of personal income tax, and profit from the proceeds of the project to enhance the Local Government's revenue base on permanent basis.

It is very crucial that such monies realised should be properly receipted and accounts rendered accurately, possibly at the end of each day, to forestall fraudulent practices evident in the management of public funds.

5.5 OTHER RECOMMENDATIONS

In view of the above mentioned problems as they affect financial administration of Lavun Local government, the following recommendations if implemented will help sanitize the whole financial operations of the local government.

A FUNCTIONAL audit alarm committee with full operational powers, should be constituted, to check the excesses of financial mismanagement by the all the staff in the local government.

The local government should be more alive to its internal revenue generation drive, which at the moment is very weak. This is to help minimize over-dependence on statutory allocation and give the local government enhanced autonomy.

The Department of Planning, Research and Statistics should be established. The Planning division should also be sub-divided into two sections, i.e. Planning and Budgeting sections, with each one independently performing its own but complimentary functions. This is to foster professionalism, which is one of the goals of the reforms.

The Local government Audit Department's reports and findings on financial management excesses of the local government executives who misappropriate Council's money should be taken up more seriously at the office of the Local Government Director of Audit at the State level.

The position of the Chairman as the chief executive and accounting officer of the local government should be reviewed with a view to deconcentrating his powers since the other checks in the reforms are mostly vulnerable to manipulation.

State governments should be made to live up to their financial obligations promptly to the local governments and also avoid their interference in council's affairs.

The service should be depoliticised where necessary and the adoption of rational criteria should be pursued to its logical sequence.

With regard to the Local Government Service Commission, some of its functions should

be further delegated to the Councils in order to meet local requirements. The Commission should however, provide the general guidelines among others.

The appointment of Internal auditors and the establishment of audit departments should be independent of chief executives and accounting officers. The department and their staff should be directly under the office of the local government Auditor General for proper co-ordination and just performance of their duties.

The researcher hopes that policy makers and others in the position of authority will appropriately utilize the above recommendations in the nation's search for an efficient civil service at both federal, state and local government areas especially the financial administration of local governments.

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APPENDIX I

QUESTIONNAIRE ON SENIOR STAFF

PERSONAL DATA

1. Names: (Initials only may be used)
2. Age:..... (3) Marital Status:.....
4. Highest Qualifications:
 - (i)
 - (ii)

FINANCIAL MANAGEMENT ASSESSMENT

5. How will you rate the Local Govt's Internal Revenue generation drive? Good/Fair/Poor
(delete as appropriate)
6. In your opinion, which are the more reliable collecting areas?
Please score in order of reliability from (a) - (e)
 - a. Personal Income tax
 - b. Community tax
 - c. Property rates
 - d. Parks and market fees
 - e. Licences - Liquor, bicycles etc.
7. On which group of people is the most loss of revenue? Please score from (a) to (d)
 - a. Management's encouragement/Incentives
 - b. Revenue collectors efforts
 - c. Tax payers' defaults
 - d. Fraudulent practices

8. Are you satisfied with the expenditure control system? Yes/No
9. If (8) is No, please score (a) to (c) on which level the control is weak.
- a. Top management
 - b. Middle class
 - c. Clerks level

STAFF WELFARE ANALYSIS

10. What cadre of staff are you? Top/Middle/Low management level
11. Do you own:
- i. A car? Yes/No
 - ii. Motorcycle? Yes/No
 - iii. A house? Yes/No
 - iv. If (iii) is yes, how large? No. of Bedrooms Four/Three/Two/One
12. Is your appointment pensionable? Yes/No
13. How long have you been in this service?.....Years
14. Do you feel some sense of Job Security? Yes/No

ASSESSMENT OF THE LOCAL GOVERNMENT'S ACHIEVEMENTS

15. In which areas in your opinion has this council has made reasonable developmental impacts at the grassroots level?
- i. Roads
 - ii. Education
 - iii. Transport systems
 - iv. Health services

- v. Agriculture
- vi. Bore holes
- vii. Housing
- viii. Any others

16. Give your percentage score of the Council's achievements%

THANK YOU. THIS QUESTIONNAIRE WILL BE TREATED IN STRICT CONFIDENCE.

APPENDIX II

QUESTIONNAIRE ON JUNIOR STAFF

1. Names: (Initials only may be used)
2. Age..... 3. Marital Status.....
4. How long have you been in this service?.....
5. In your opinion, are there any incentives/encouragements for the revenue generating staff? Yes/No
6. Are you involved in decision-making processes? Yes/No
7. Do you believe that much revenue is being lost through the collectors? Very much/Not much/minimal
8. In your opinion, how do you rate losses through:
 - i. Overpayments on vouchers%
 - ii. Double payments or duplication of payments.....%
 - iii. Over invoicing of bills on Contracts executed.....%
 - iv. False names in the payroll.....%
9. In your opinion, which areas are more losses incurred? Revenue collection or Expenditure.....
10. To what extent is the impact of the Local Government felt in your locality? Very much/A little/None at all

THANK YOU. THIS QUESTIONNAIRE WILL BE TREATED IN STRICT CONFIDENCE.

APPENDIX III

SUMMARY OF RETURNS - SENIOR STAFF QUESTIONNAIRES

1. Total Number of responses:.....
2. Average Age:.....
3. Types of Qualifications:.....
 - i. Low level (WASC, GCE & Below).....
 - ii. Middle level (Diplomas etc.).....
 - iii. High level (Degrees & above).....
4. Rating of of internal revenue generation drive:.....%
5. Expenditure prudence rating:.....%
6. General job satisfaction rating:.....%
7. Rating of Local Government Council's achievements:.....%

APPENDIX IV

SUMMARY OF RETURNS - JUNIOR STAFF QUESTIONNAIRES

1. Total Number of responses:.....
2. Average Age:.....
3. Average length of service:.....
4. Level of involvement in decision-making processes:.....
5. Assessment of revenue generating efforts:.....%
6. Rating of areas of funds losses/mis-managements:-
 - i. Revenue.....%
 - ii. Expenditure:.....%
7. Rating of developments at the grassroots level:.....%

APPENDIX V

ACHIEVEMENTS ON FINANCES SOURCING

ITEMS	ACHIEVEMENTS			REMARKS
	Good	Fair	Good	
<u>Statutory Allocations</u>				
Federation Account				Direct Allocations commended
State Government				Late meeting of this commitment.
Internal Revenue Generation				
Personal Income Tax				Late returns from employers of Labour
Community Tax				District/Village Heads efforts not enough
Earning from comm. undertakings				Improving with the intercity transport services
Customary Land Rents				No conscientious efforts made
Property Rates				No conscientious efforts made
Investment Interest				No funds favour for investment
Liquor Licences				Religious norms
Market stall fees				No efforts made/losses through fraud
Vehicles Parks				Possible losses to private pockets
Bicycles & Allied Licences				Almost forgotten
Others				Not enough initiatives being put in

Source: Interviews with Local Government Revenue officials