REVENUE GENERATION AND EXPENDITURE IN NASARAWA STATE LOCAL GOVERNMENTS (2011 – 2017)

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Abstract

The study examined an assessment of the relationship between revenue generation and expenditure in Nasarawa State local governments (2011-2017). The study is premised on the background that the responsibilities and revenue streams translate to expectations on the local governments to make capital and current expenditures. The research was anchored on Institutional theory while descriptive method of analysis was used in the study. The study adopted the purposive sampling technique in selecting two (2 local Government areas for the study. This theory used was intended to capturing the main thrust of the issue under our consideration, the findings of the study revealed unending conflict and contestation between the state government and the local governments over revenue. The study recommended among others things that there should be a call on the President to end the conflict and contestation between the state government and the local governments over revenue points and the outright usurpation of the revenue points by the state governments through issuance of an executive order.

Keywords: Revenue Generation; Expenditure; Allocation; Local Government; Nasarawa State;

Introduction

With about 200 million Nigerians competing for the available public services, expectations of effective public sector service delivery are high and ever increasing on the political leaders. This population increase and the urgent need for effective public service delivery have resonated the role of local government in enhanced public service delivery and the critical role of finance in meeting the set objectives of public sector organizations where the federal, state and local governments are key actors (Nnaeto, 2017). This critical role of finance means that it is a vital means of sustaining any body politic and of enabling them to perform their most essential functions or better still, the life elixir of any organization (Idahosa & Nchuchuwe, 2005).

However, a mention of finance in a study on the local government, usually call attention to revenue generation with little thought on the expenditure. But in actuality, it is the expenditure that is reputed as the veritable tool for economic growth and development. This is so, because irrespective of the amount generated, what translates into service delivery or infrastructural development is the expenditure and to a large extent, it is upon the expenditure that questions are asked, problems are identified and solutions are sought (Efobi & Osabuohien, 2012).

In Nigeria, Local governments' revenues come from the federal government, state government and internally generated sources (Edogbanya & Ja'afaru, 2011). From the federal government, the Nigerian local governments are entitled to a statutory allocation of 20% of the revenues accruing to the federation within the month. From the state government, local governments are legally entitled to 10% of their respective states' internally generated revenues. This is in addition to their share of the value added tax (VAT) and grants and loans.

According to Ogunna (1996), the constitution allows the local government access to loans for capital projects however with the approval of the state. This category of revenues to the local governments in Nigeria is collectively called the externally sourced revenue to the local governments. It implies that there is another category of revenue sources to the local governments and this revenue source is called the internally generated revenue (IGR).

The internally generated revenue (IGR) is the revenue generated from capital receipts and taxes, which includes local rates, market taxes and levies excluding any market where state finance is involved, bicycle, truck, canoe, wheelbarrow and cart fees, other than a mechanical propelled truck permits and fines charged by customary courts, local government business investments, tenement rate, fees from schools, shops and kiosks rates, on and off liquor license fees, slaughter slab fees, marriage, birth and death registration fees (Onah, 1995).

Other sources of IGR include naming of street registration fee excluding any street in the state capital, right of occupancy fees on lands in the rural areas excluding those collectables by the federal and state governments, cattle tax payable by cattle farmers only, merriment and road closure levy, religious places establishment permit fees, signboard and advertisement permit fees, radio and television license fees etc (Onah, 1995).

But more concisely, Atakpa, Ocheni, and Nwankwo, (2012) refer to the IGRs as the revenues generated through community tax and rates; property (tenement) rates; general/development rates; licenses, fees and charges like marriage registration fees, car/truck licenses; interest on revenues such as deposits, investments, profits from the sale of stocks, shares, etc; departmental recurrent revenues from survey fees, repayment of personal advances, nursery and day-care centers' fees, rents on local government quarters, etc.

These revenue sources to the local governments seem enormous but they have corresponding, if not higher expenditure responsibilities accorded to them by the same law that gave them those revenue generating outlets. For instance, the 1999 Constitution of the Federal Republic of Nigeria as amended significantly outlined the responsibilities of the local governments to include the provision and maintenance of primary, adult and vocational education; the development of agriculture and natural resources other than the exploitation of minerals, the provision and maintenance of health services and such other functions as may be conferred on them by the House of Assembly of a State. These responsibilities are geared towards enhancing the wellbeing of the people of the various local government areas of Nigeria as a shared responsibility it has with the first and second tiers of government in Nigeria.

According to Akpofure (2014), the local governments embark on capital expenditure when financing projects like construction of mini bridges within the area including culverts; purchase of official vehicles, buses and machines for the council; engagement into market development and building of abattoir; construction of class room and building of mini stadium; building of amusement parks, secretariats and staff quarter; building of health centers and veterinary; and purchases of office equipment like computers, typewriters, air conditioners, refrigerators .etc.

But to a discerning mind, the flamboyant lifestyle of the local government chief executive officers (the chairmen) and the amount of money they receive statutorily stand in sharp contrast to the developmental realities of most local governments in Nigeria. The 13 local governments in Nasarawa state, and more specifically, Nassarawa local government council in Nassarawa South Senatorial district, Keana local government council in Nassarawa Central Senatorial district, and Nassarawa Eggon local government in Nassarawa Central Senatorial district, are part and parcel of the local governments in Nigeria and are also affected by these problems hence this study examines the revenue and expenditure of Nasarawa state local government with the aim of identifying the challenges and finding solutions so that Nasarawa state local governments can leave up to their developmental (expenditure) expectations. The following research questions will guide the study;

1. What are the sources of Revenue generation to Nasarawa state local Government in Nigeria?
2. What are the Challenges to Revenue generation in Nasarawa local Government?
3. Howcan Revenue generation in Nasarawa local Government be improved in order to enhance expenditure to the local Government.

Objectives of the Study

In the light of the rationale for the critical assessment of the relationship between revenue generation and expenditure in Nasarawa State local governments, the objectives of this paper to; examine the sources of revenue generation to Nasarawa State local governments and how it can improve on the expenditure in carrying out the constitution role and responsibility of local Government in Nigeria.

Conceptual Clarifications

For better understanding of the issue of revenue and expenditure under our investigation, it will be very necessary to clarify some of these concepts in this study;

Nigerian Local Government Legal Mandates

The Nigerian local government administration is legally recognized and empowered to enhance socio-economic development of Nigeria. This mandate is what has kept the local government alive in Nigeria amidst advocates for its dissolution on the ground of not living up to its expectation. These expectations are what Ezeani (2006) was referring to when he wrote that local governments in Nigeria are created to make appropriate services and development activities responsive to local wishes and initiatives. Hence the devolution or delegation of powers to local representative bodies to sensitize and mobilize the various communities in their areas of authority in order to get involved in the development of their areas so that in general the overall development of the country will be easily achieved.

It is also in recognition of this legal mandate of and expectation on the Nigeria local government that Ikelegbe (1976) viewed the local government as that unit of government that facilitates democratic self- governance at the local level. This feat can be achieved according to him, through local representatives of the people who will mobilize the people and manage their affairs through involvement and encouragement of the people; planning and provision of services and development activities based on the needs of the people as identified by the people.

The legal mandates of the Nigerian local governments are clearly stated in fourth schedule of the 1999 constitution of the Federal Republic of Nigeria (as amended in 2011) which had already asserted the establishment of the local government in section 7 (1). According to the fourth schedule, local government councils are mandated to consider and make recommendations to a State commission on economic planning or any similar body on (i) the economic development of the State, particularly in so far as the areas of authority of the council and of the State are affected, and (ii) proposals made by the said commission or body. The fourth schedule went further to mandate the Nigerian local government to actively participate in (a) the provision and maintenance of primary, adult and vocational education; (b) the development of agriculture and natural resources, other than the exploitation of materials (c) the provision and maintenance of health services; and (d) such other functions as may be conferred on a local government council by the House of Assembly of the State.

These legal mandates of the Nigerian local government can be said to have its historical root in the native authority system of the colonial era with necessary modifications. The most fundamental of these modifications is its entrenchment into the Constitutions of the Federal Republic of Nigeria, but before then, the local government system has gone through many reforms, with the 1976 Reform as the most important of them all, perhaps, not only because of its accomplishments, but its objectives, one of which, according to Ibrahim (2012), is the institutionalization of popular participation in the local political process. In his exact words, the 1976 Local Government Reforms has been described as a catalyst for sustainable and meaningful local governance, hence a radical departure from local government administration of convenience to a local government system of content. This point by Ibrahim (2012) may have spurred the assertion by Athanasius (2017) that it was in 1976 that Nigerian local government system got its legal mandates, even though the extent of compliance is highly debatable.

Nigerian Local government Revenue Generation, Legal Provisions and Challenges

Given the general acknowledgement that local government in Nigeria, has the mandate to cater for the people at the grass root and also that no meaningful economic planning and development can be made without finance, a critical review of literature on revenue generation by the Nigerian local governments as well as the legal provisions and challenges around it becomes imminent especially as Nwosu & Okafor (2013) remarked that the processes of financial management is central to better fiscal outcomes that has eluded the contemporary Nigerian local government.

These finances are popularly called local government finance whose fair understanding yields to the assertion that each of the three tiers of government in Nigeria has its assigned financial arrangement. The local governments are entitled to 20% of the total amount in the federation account within a month. They are also entitled to 10% of the internally generated revenue of the state government, plus a share of the value added tax (VAT). These revenues are in addition to the revenues from the traditional internal sources of revenue generation at the disposal of the Nigerian local government councils. These other traditional sources to the local governments accrue to them through the constitutional empowerment they have to regulate certain activities in their jurisdiction including powers to exert taxes. All these revenue sources herald local government revenue generation (Nwosu & Okafor 2013).

These revenue streams to the local government have been categorized differently by different authors. The example of Ogunna and the Central Bank of Nigeria are clear instances. Yet, authors such as Ezeani (2004), Alo, (2012) and Agba, Ocheni & Nnamani (2014) categorized the local government revenue streams into internally generated revenue and externally generated revenue. According to Alo, (2012), the internally generated revenue are the revenues generated within the local government area of administration comprising local tax or community tax, poll tax, or tenement rates, user fees and loans.

On the other hand, the externally generated revenues, according to Ezeani (2004), are the revenues accruing to the local government councils from outside the local government area of administration which include 20% of Federal Government Statutory Allocation; 10% of internally generated revenue of the State Government, Value Added Tax (VAT); Loans and Advances; Special capital grants, and Financial Aid and Assistance from individual and organization.

All these revenue sources have legal backings to ensure that local governments perform the numerous functions assigned to them in Section 7, Schedule 4, of the 1999 Constitution of Nigeria as amended in 2011, which also mandated the government of every state to make provisions for the financing of local government councils in the state. Key provisions of this section are: (a) the National Assembly shall make provisions for statutory allocation of public revenue to local government councils in the Federation; and (b) the House of Assembly of a state shall make provisions for statutory allocation of public revenue to local government councils within the state (Obi, 2001).

Also, section 162 states that (c) any amount standing to the credit of the Federation Account shall be distributed among the Federal and State Governments and the local government councils in each state on such terms and in such manner as may be prescribed by the National Assembly. (d) The amount standing to the credit of local government councils in the Federation Account shall also be allocated to the states for the benefit of their local government councils on such terms and in such manner as may be prescribed by the National Assembly. (e) Each state shall pay to local government councils in its area of jurisdiction such proportion of its total revenue on such terms and in such manner as may be prescribed by the National Assembly (Agba, Ocheni & Nnamani, 2014).

Unfortunately, despites these avalanches of revenue streams at the disposal of the local governments in Nigeria, the various local governments still have course to complain of challenges. These complaints have warranted a review of extant literature on the challenges of revenue generation by the Nigerian local government councils. Ayodele & Anyabe (2012), for instance, asserted that local governments in Nigeria have not been doing well due to lack of financial autonomy, undue meddlesomeness of state governments in local affairs, corruption among local government officials, lack of qualified staff to manage the local governments; misplaced loyalty of worker to their benefactors instead of the government, and lack of transparency and accountability. These problems according to Edogbanya, & Ja'afaru (2013) are cog in the wheel of progress in the smooth running of local government administration.

Local Government Expenditure in Nigeria and the Financial Memoranda

Local governments in Nigeria have legal mandates on expenditure. This mandate is in tandem with their legal mandates to engender the socio-economic development of the people of the area they govern. This was why Mohammed & Sagir (2018) saw local government expenditure as the expenses which the Local Government incurs for the maintenance of the government and for initiating and attracting developmental projects to the people such as provision of access roads, water supply, rural electrification and primary health care among others. The relevance of local governments' expenditure is hinged on the argument that it is the instrument of government policy used in distributing resources productively, effectively and efficiently. Hence, the expenditure pattern exhibited at any level of government plays a vital role in accelerating the socio-economic performance of

the society. This pattern involves the manner of fund allocation between capital and recurrent expenditure of the Local Government.
According to Bello, (2004), while the recurrent expenditure is meant for servicing sustenance and maintenance of the existing human and material resources of the Local Government, the capital expenditure deals with the acquisition of new assets. But Hassan (2001) gave more details when he asserted that the recurrent expenditure is the day to day financial commitment of the government that caters for transient cost like personnel cost, which consist of personnel emoluments of those employed by the government (basic salaries, rent and transport allowance, leave Bonus etc) and overhead costs used for day to day expenses of general nature, which include general repairs and maintenance activities, the capital expenditure are capital items incurred for the long-term used of the government in order to attain its set goals e.g. purchase of motor vehicles, furniture and equipment, heavy plants and generators etc (Agu, 2007).

According to Muhammed & Sagir (2018), the treasurer is empowered by the Model Financial Memoranda (2009) to ensure that the Local Governments are guided by the financial memoranda in their expenditures. The essence is to have effective control over local government expenditure. According to Ocheni, Atakpa & Nwankwo (2013), the Financial Memoranda provided that the annual recurrent expenditure estimates of local governments shall be prepared under heading 2001-2013 for the Office of the Chairman, Secretary to the Local Government, the Local Government Council, Personnel Management, Finance, Education, Medical and Health Services, Agriculture, Natural Resources and Social Development, Works, Housing, Land and Survey, traditional offices, miscellaneous, contribution to Local Government Loans Fund, and transfer to reserve fund respectively (Ocheni et al, 2013).

Local government in the Nigeria fiscal federalism
According to Ekpo & Ndebbio (1998), apart from providing and maintaining basic infrastructures, local governments do complement the economic activities of both the state and the federal government in enhancing the wellbeing of the people. This noble assignment, the local governments are able to accomplish with the help of the local government fiscal operations which indeed, play very vital role in macro-management of the Nigerian economy. The authors based their argument on the assumption that given the size of the country, at the local level, certain

goods and services are best provided through public means and issues of efficiency, resource allocation and distribution become relevant at the third level of government. In the same vein, certain taxes, including levies and rates are better collected by local governments.

The need for certain taxes to be collected by the local government is in keeping with Musgrave's assertion that not every expenditure made at the local level are centrally financed and directed. This is because local governments that act as central expenditure agents do not reflect expenditure decentralization in a meaningful sense, just as centrally collected but shared taxes do not imply proper revenue centralization (Musgrave, 1973).

However, apart from the financial relationship that exists between local governments and the other levels of government, there exist specific duties and responsibilities solely meant for local governments. However, conflicts do occur among the tiers of government especially between the local and state governments (Ekpo & Ndebbio, 1998). These conflicts and battles may have prompted Abdulhamid & Chima (2015) admit that despite the fact that local government system in Nigeria has witnessed many reforms aimed at accelerating development and enabling the local population to participate and hold those in power accountable for their governance roles, yet a true third tier has never taken off in the governance structure of Nigeria, despite the widespread endorsement of local government as a potent system to mobilize people for local participation in governance.

Theoretical Framework

The study is anchored on institutional theory. Guy (2000) sees institution as a formal or informal, structural, societal or political phenomenal that transcends the individual level that is based on more or less common values has a certain degree of stability and influences behaviour. The theory focuses on the deeper and more resilient aspects of social structure. It considers the processes by which the structures, including schemes, rules, norms, and routines become established as an authoritative guidelines for social behaviour. A good and strong institution is one that regulates the behaviour of members of the institution and society (Izueke, 2014).Sociological institutionalist explanations must establish not only that dominant norms and schemas exist, but also that they are in fact internally coherent enough to inspire straightforward policy prescriptions; understating internal contradictions risks prematurely minimizing the influence of domestic politics, whose debates often revolve around normative concerns that sociological institutionalist explanations posit to be settled and whose influence may be most likely where tensions among dominant norms or schemas are unresolved (Finnemore 1996; Buttel 2000: 119; Campbell 1998). Institutionalist approaches would also benefit from a cross-fertilization of research methods. Sociological institutionalist research that undertakes an in-depth analysis of primary source documents, demonstrating and tracing the constitutive influence of global civil society organizations on state-level conceptualizations of policy goals and means, would shore up the claims for which statistically well-founded analyses of superficial secondary data have been only spottily convincing. Institutions are social structures that have attained a high degree of resilience (Amanta & Kelly, 2009).

Local Government as an institution has its norms, values, traditions and structures written down as rules and regulations. They are meant to constrain behaviours of people in the institution, and also model their preferences in both generation of revenue to run local government and the manner the revenue is spent. In other words, these rules and regulations regulate the behaviour of the executive Chairman and other local government administrative officers that manage the revenue generated for the day-to-day activities of the local governments in Nasarawa State.

Methodology

This study adopted descriptive method for the purpose of investigating the issue of Revenue generation and expenditure in Nasarawa local Government (2011-2017). This involved a more detailed facts finding endeavor through the use of relevant textbooks, journals, magazines, newspapers, internet, official gazette and some unpublished materials. These materials were used to compliment the primary data obtained by observing the performance of Nasarawa local Government in its arrangement in revenue generation and expenditure. These data were used to analyze the work and to gain insight into the topic under investigation. The study also adopted purposive sampling technique to select two (2) local Government areas as sample local Government to be studied to represent the entire local Government system in Nasarawa state. The local Government areas are Nasarawa Eggon local Government in Nasarawa central senatorial district, Keana local Government council in Nasarawa central and Nasarawa local Government in Nasarawa South senatorial district.

Sources of Revenue to Nasarawa State Local Government

Local governments in Nasarawa state have many sources of revenue. Nasarawa local government, for instance, have statutory allocations, value added tax (TAX), excess crude, Sure-P, state allocation, and independent revenue as their sources of revenue generation. These sources they share with the Keana local government council (see table i-iv) below. However, Nasarawa Eggon local government official sources of revenue differ a little from the other two local government councils as they documented investment, internal revenue, federal allocation, state allocation and Value Added Tax. The Excess crude and Sure-P sources that were documented by both Nasarawa and keana local government councils are missing in the budget of Nasarawa Eggon local government of Nasarawa state.

Table i: Consolidated Financial Statement of Nasarawa Eggon LGA of Nasarawa State, 2011-2012

A	RECURRENT REVENUE	APPROVED 2011	ACTUAL 2011	ESTIMATE 2012
	Opening Balance as at 1at January	2,878,880	100,000	502,100
	Investment	1,254,040	100,000	500,006
	Internal Revenue	13,376,900	2,148,150	3,000,000
	Federal Allocation	1,000,000,000	248,069,334	562,019,280
	State Allocation	67,518,396	-	10,000,000
	Value Added Tax	102,000,000	-	93,787,992
	TOTAL REVENUE	**1,296,926,241**	**250,417,484**	**669,809,372**
B	**RECURRENT EXPENDITURE**			
	Personnel Cost	595,119,886	190,995,302	360,000,000
	Over Head Cost	347,830,574	51,776,306	60,000,000
	Capital Expenditure	290,675,781	7,143,776	249,809,372
	Total Budget Size	**1,296,926,241**	**249,915,384**	**669,809372**

Source: Nasarawa Eggon Local Government Council Approved Budget (2012)

Attachment ii: Consolidated Budget Summary of Keana LGA of Nasarawa State, Nigeria

Table ii: Consolidated Budget Summary of Keana LGA of Nasarawa State, Nigeria

S/N	Items	Budget 2014#	Budget 2015 #	Budget 2016 #	Budget 2017 #	Total 4 year Budget #

1.	Opening Balance	-	-	-	-	
2	Receipts					
3	Statutory Allocations	576,273,875	900, 414,875	918,423,173	936,791,636	3,331,903,559
4	Value Added Tax	120,000,000	30,000,000	30,600,000	31,212,000	211,812,000
5	Excess Crude	42,000,000	20,000,000	20,400,000	20,808,000	103,208,000
6	Sure-P	4,500,000	18,000,000	18,360,000	18,727,200	59,587,200
7	State Allocation	-	5,000,000	5,100,000	5,202,000	15,302,000
8	Independent Revenue	3,060,000	16,634,000	16,966,680	17,306,014	53,966,694
9	Total Current Year Receipts	**745,833,875**	**990,048,875**	**1,009,849,853**	**1,030,046,850**	**3,775,779,453**
10	Total Projected Funds Available	**745,833,875**	**990,048,875**	**1,009,849,853**	**1,030,046,850**	**3,775,779,453**
11	**Expenditure**					
12	**A: Recurrent Debt**					
13	Social Contribution	59,000,000	325,000,000	331,500,000	338,130,000	1,053,630,000
14	**Total Recurrent Debt**	**59,000,000**	**325,000,000**	**331,500,000**	**338,130,000**	**1,053,630,000**
15	**B: Recurrent Non Debt**					
16	Personnel Cost	442,972,375	465,882,375	475,200,000	484,704,023	1,868,758,773
17	Overhead Cost	81,761,500	61,816,500	63,052,830	64,313,887	270,944,717
18	Total Recurrent Non-Debt	**524,733,875**	**527,698,875**	**538,252,830**	**549,017,910**	**2,139,703,490**
19	Total Recurrent Expenditure	**583,733,875**	**852,698,875**	**869,752,830**	**887,147,910**	**3,193,333,490**
20	C: Capital Expenditure Based on Sectors					
21	Capital Expenditure	**162,100,000**	**137,350,000**	**140,097,000**	**142,898,940**	**582,445,940**

22	Total Capital Expenditure	**162,100,000**	**137,350,000**	**140,097,000**	**142,898,940**	**582,445,940**
23	Total Expenditure (Budget Size)	**745,833,875**	**990,048,875**	**1,009,849,830**	**1,030,046,850**	**3,775,779,430**
24	Budget Surplus / Deficit					
25	Closing Balance					

Source: Keana Local Government Council Approved Budget (2015).

Attachment iii: Consolidated Budget Summary of Nasarawa LGA of Nasarawa State,

Table iii: Consolidated Budget Summary of Nasarawa LGA of Nasarawa State, Nigeria

S/N	Items	Budget 2012 #	Budget 2013 #	Budget 2014 #	Budget 2015 #	Budget 2016 #	Total 5 year Budget #
1.	Opening Balance	-	-	-	-		
2	**Receipts**						
3	Statutory Allocations	-	262,305,117	995,301,484	1,015,207,514	1,0135,511,664	12,408,325,779
4	Value Added Tax	8,000,000	9,000,000	10,000,000	10,200,000	10,404,000	47,604,000
5	Excess Crude	-	-	25,000,000	25,500,000	26,010,000	76,510,000
6	Sure-P	-	-	45,000,000	45,900,000	46,818,000	137,718,000
7	State Allocation	30,000,000	40,000,000	36,300,000	37,026,000	37,766,520	181,092,520
8	Independent Revenue	43,403,923	322,205,117	6,260,000	1,140,218,714	1,163,023,088	2,675,110,842
9	Total Receipts	81,403,923	633,510,234	1,117,861,484	2,274,052,227	2,319,533,272	15,526,361,141
10	Total Projected Funds Available	81,403,923	633,510,234	1,117,861,484	2,274,052,227	2,319,533,272	15,526,361,141
11	**Expenditure**						
12	**A: Recurrent Debt**						
13	Social Contribution	247,464,600	313,000,000	324, 000,000	330, 480,000	337,089,600	1,552,034,800
14	**Total Recurrent Debt**	**247,464,600**	**313,000,000**	**324, 000,000**	**330, 480,000**	**337,089,600**	**1,552,034,800**
15	**B: Recurrent Non Debt**						
16	Personnel Cost	365,900,970	508,197,236	430,126,484	438,729,014	447,503,594	2,190,457,298
17	Overhead Cost	87,818,089	195,053,541	155,335,000	158,441,700	161,610,534	758,258,864
18	Total Recurrent Non-Debt	453,719,059	703,250,777	585,461,484	597,170,714	609,114,128	2,948,716,162
19	Total Recurrent Expenditure	701,183,659	1,016,250,777	909,461,484	927,650,714	946,203,728	4,500,750,962
20	**C: Capital Expenditure Based on Sectors**						

21	Capital Expenditure	22,011,000	202,080,000	208,400,000	212,568,000	216,819,360	861,878,360
22	Total Capital Expenditure	**22,011,000**	**202,080,000**	**208,400,000**	**212,568,000**	**216,819,360**	**861,878,360**
23	Total Expenditure	**723,194,659**	**1,218,330,777**	**1,117,861,484**	**1,140,218,714**	**1,163,023,088**	**5,362,629,322**
24	Closing Bal						

Source: Nasarawa Local Government Council Approved Budget (2014).

Attachment vi: Revenue Sources of Nasarawa Eggon LGA Nasarawa State, 2011-2012

Table vi. Revenue Sources of Nasarawa Eggon LGA Nasarawa State, 2011-2012

Items	Approved 2011	Actual 2011	Estimate 2012
Investment	1,254,040	100,000	500,006
Internal Revenue	13,376,900	2,148,150	3,000,000
Federal Allocation	1,000,000,000	248,069,334	562,019,280
State Allocation	67,518,396	-	10,000,000
Value Added Tax	102,000,000	-	93,787,992

Source: Nasarawa Eggon Local Government Council Approved Budget (2012).

A detailed narrative of the sources of revenue generation to Nasarawa Eggon for instance, revealed about one hundred and thirty-two (132) revenue sources to the local governments in Nasarawa state. These sources are categorized under different headings. Under taxes, they have community tax or poll tax, arrears of community tax or poll tax, development tax or levy, Cattle tax water applicable, arrears of cattle tax, other special services electricity, water and ground rate, and arrears of other special services tax. Under rates, they have tenement rate, Arrears of tenement rate, Room or flat rate, Federal government grant, and State government in lieu of tenement rate (Nasarawa Eggon Approved Budget, 2012).

Major Challenges of Revenue Generation in Nasarawa State Local Government

Many authors have written to acknowledge the challenges of revenue generation in the Nigerian local government. While Adeyemo (2005) observed that the usurpation of local government functions and revenue sources by state governments seriously erode the autonomy of the local governments. Eteng & Agbor (2018) asserted that the local governments in Nigeria have standard outfits from which it collects revenue to boost its finances. However, since the emergence of democratic rule, from 1999, we have seen the sudden withdrawal of those revenue points from the control of local governments to the state. For example, haulage that used to be a veritable revenue points for local governments has been swindled by the state government. Again major markets that were hitherto an exclusive preserve of local government now have the state meddling into how revenue is got from such markets. Revenue from tenement rate has also been taken over by the state government (Eteng & Agbo, 2018).

In the same vein, we found that the local government councils of Nasarawa state have as one of the major challenges of revenue generation, conflict and contestation between the state governments and the local government councils over revenue points. To a large extent, the state government usurps the revenue points of the local government councils of Nasarawa state and this explains their level of dependence on the state government for the administration of social services.

Improving Nasarawa State Local Government Revenue to Enhance Expenditure

Usually, the essence of research is to proffer feasible measures of upturning the identified challenges or remedying maladies as identified. In this study, having identified the major challenges of revenue generations in Nasarawa State Local Governments, we therefore outline and discuss some explorable options that can help to improve revenue generation in Nasarawa state local governments for enhanced expenditure. There is no gain saying the fact that reviewing the revenue sources of the local governments as contained in the current budget of Nasarawa Eggon local government that are obsolete with too little funds attached to them to something worthwhile, even if it means rescheduling these revenue sources/tax jurisdictions between the state government and local government councils.

Putting an end to the conflict and contestation between the state government and the local governments over revenue points and in some cases, the outright usurpation of the revenue points by the state governments through executive order from the presidency backed up by judicial pronouncements and legislative enactments.

Conclusion

The federal system of government in operation in today's Nigeria implies a political and administrative relationship between the Federal, State and Local governments. The establishment of the third tier of government to exist closer to the people at the rural and grassroots is to deliver sustainable public revenue management in lieu of the authority, functions and responsibilities.

These responsibilities beget revenue generation expenditure expectations. This is because finance is a prerequisite for the fulfillment of any organizational objectives, and the local government is not an exception. As Oguonu (2004) noted, the success and the effectiveness of local government depend largely on the financial resources available to the individual local governments and the way these finances are utilized by the local government administrators in the course of the administration. This is why in Nasarawa State, the assessment of the revenue sources, expenditure components, relationship between the revenue generation and expenditure, revenue generation challenges and prospects suffice, hence the perennial complaint of inadequate fund by the local government and the interference of the state in their revenue points as well as the complain of not living up to its responsibilities and expectation by the people can find a point of convergence and understanding of the reason for these complaints established. This makes this study unique and the findings quintessential.

That Nasarawa state local government councils have several revenue sources but the major ones are Statutory Allocations from the federation account, share of the Value Added Tax, 10% of State's internally generated revenue, and Independent Revenues from taxes, rates, local license and fines, fees, interest payment and dividends, and earnings from commercial undertakings.

That Nasarawa State Local Governments have various challenges in generating revenue including conflict and contestation between the state government and the local governments over revenue; too many obsolete revenue points with too little funds attached to them; non-compliance to the constitutional mandate on the State government to release 10% of its internally generated revenue to the local government councils of the state; state government interference in the councils' statutory allocations.

That the Nasarawa State Local Government council can improve the revenue generations by calling on the federal government to end the conflict and contestation between the state government and the local governments over revenue; reviewing the revenue sources of the local governments that are outdated and obsolete with too little funds attached to them to something worthwhile; and possible arrangements for suing governors who refuse to comply with the constitutional mandate of releasing 10% of the state's IGR to the local government councils with the backing of the president and attorney general of the federation.

Recommendations

i. Calling on the president to end the conflict and contestation between the state government and the local governments over revenue points and the outright usurpation of the revenue points by the state governments through issuance of an executive order, backed up by judicial pronouncements and legislative enactments.
ii. Reviewing the obsolete revenue sources of the local governments that are with too little funds attached to them to something worthwhile.
iii. Decentralizing revenue collection centers according to the wards in the council to avoid spending much to collect less revenue.
iv. Suing governors who refuse to comply with the constitutional mandate of releasing 10% of the states' IGR to the local government councils with the backing of the president and attorney general of the federation.
v. Improving the inept revenue collection enforcement by calling on the internal auditors of local Government to live up to their responsibility.
vi. Establishment of up-to-date data bank by the councils for all their revenue points and their payment records and urgent automation of payment method.

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