



EVALUATION OF INTERNALLY GENERATED REVENUE EFFORTS OF GIWA LOCAL GOVERNMENT AREA OF KADUNA STATE, NIGERIA (2009-2013)

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Abstract

This paper evaluates the internally generated revenue efforts of Giwa Local Government Area of Kaduna State. The problem investigated revolves around low yield of Internally Generated Revenue (IGR) and defective strategy for collection. The major objective of the paper was to examine the factors responsible for the low yield of IGR in the local government. Data from relevant persons was gathered using structured questionnaire and semi-structured interview. The secondary sources include basically the local government budgets and Reports from the Auditor-General within the study period. Quantitative data was analysed using frequency distribution while the chi-square was used to test the hypothesis through SPSS. The paper established that Giwa local government depends on external sources of revenue, and this has affected its efforts to initiate and look inward to adequately exploit its existing internal revenue sources and to explore new sources. The paper recommended among others that for enormous yield of IGR, Giwa local government should innovate a strategic mechanism that will enforce the full exploitation of existing revenue sources, and also new avenues of generating revenue internally through financial investment like entering into partnership with private individuals and organizations, commercial farming, animal husbandry, motorcycling transportation (Keke-Napep) building of corner shops, pure water/ yoghurt and block making industry. It was concluded that overdependence on monthly statutory allocations by Giwa local governments is the reason for its poor developmental efforts.

Keywords: Budget, Taxes, Corruption, Statutory Allocations, Autonomy.

Introduction

Globally, economists engage a great deal of time in the ways and means of harnessing and utilizing resources for national development. In doing this, their preoccupation is the strength of the national revenue. This is because the cost of running the nation has remained increased overtime. In the contemporary world, governments at all levels are charged with greater and additional responsibilities. The government must be equipped with resources; human, material as well as

financial. In other words, local government being the lower tier of government also needs to attain a peaceful and fair coexistence with its populace. And in doing this, it needs revenue to finance its activities towards meeting its statutory responsibilities for the overall wellbeing of its citizens.

Local governments revenue in Nigeria, like in many other countries of the world is traditionally classified into two broad categories; internal and external sources. The external sources consist mainly of discretionary and specific grants; statutory allocation from both the Federation Account is 20.60% and 10% from State Governments' IGR. Beginning from 1995, the Value Added Tax (VAT), which is credited into an account called the VAT Pool from where it is shared in accordance to a formula that gives 35% to the Local government (Jummare, 2008, RMAFC, 2009, Ndan, 2013:54). The internal sources consist of taxes, rates, fines, licenses and general revenue over which local governments have statutory jurisdiction as provided in the Fourth Schedule, S(7) of 1999 Constitution of the Federal Republic of Nigeria. This study intends to evaluate revenue generation efforts of Giwa Local Government Area of Kaduna State.

Taxes, rates, fines, user charges and licenses are the most dependable internal sources of revenue to the local governments. This is because of the certainty of the amount to derive at a particular time. Its collections and services to the government depend largely on the government itself. In line with this philosophy, the Kaduna State Government in 2007 unified the internal revenue to be collected by all the 23 Local Government Areas.

In spite of this giant stride by the State Government in outlining likely viable sources of IGR, Giwa Local Government has kept demonstrating dwindling yield in its IGR as evident in its budget within the study period. This has made its developmental efforts almost insignificant. In view of the above, could it be deduced that the revenue generation efforts of Giwa Local Government is poor or that the strategy for its collection is ineffective?

The aim of this study is to evaluate IGR efforts in Giwa Local Government Area of Kaduna State and specifically to examine the factors responsible for low yield of IGR in Giwa Local Government and how to make the strategy for collection effective.

Research Question

Is the strategy for revenue collection responsible for the low yield in the IGR of Giwa Local Government?

Hypothesis

H₀ Enormous yield of the IGR in Giwa Local Government does not depend on the strategy used for revenue collection

H₁ Enormous yield of the IGR in Giwa Local Government depends on the strategy used for revenue collection

There are quite a number of researches conducted in the area of revenue generation, a couple of which were conducted closely to the focus of this study by Anyio (2012) and Mustapha (2012). Anyio centred on over-dependence of local government on statutory allocations in Nigeria and its impact on development. While Mustapha (2012), though, assessed IGR of Local Governments in Kaduna State but limited his scope to Zaria, Kaduna south and Jema'a local governments between the period of 2000 to 2005. The specific focus of this study differs slightly from these previous studies.

Conceptual Discourse

The Guideline for Local Government Reform (1976), defines local government as:

Government at local level exercised through representative councils established by law to exercises specific powers in defined areas. These powers should give the council substantial control over local affairs as well as the staff and institutional and financial power to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the state and federal government in their areas, and to ensure, through devolution of functions to these councils and through the active participation of the people and their traditional institutes, that local initiative and responses to local head and conditions are maximised.

Functions of Local Government in Nigeria

There are two lists of functions for local governments in Nigeria, these are contained in section (7) under the Fourth Schedule of the 1999 constitution as follows:

1. The main functions of a local government council are as follows:

(a) The consideration and the making of 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;

(b) Collection of rates, radio and television licenses;

(c) Establishment and maintenance of cemeteries, burial grounds and home for the destitute or infirm;

(d) Licensing of bicycles, trucks (other than mechanically propelled trucks), canoes, wheel barrows and carts;

(e) Establishment, maintenance and regulation of slaughter houses, slaughter slabs, markets, motor parks and public conveniences;

(f) Construction and maintenance of roads, streets, street lightings, drains and other public highways, parks, gardens, open spaces, or such public facilities as may be prescribed from time to time by the House of Assembly of a state;

(g) Naming of roads and streets and numbering of houses;

(h) Provision and maintenance of public conveniences, sewage and refuse disposal;

(i) Registration of all births, deaths and marriages;

(j) Assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly of a States; and

(k) Control and regulation of:-

(i) out-door advertising and hoarding;

(ii) movement and keeping of pets of all description;

(iii) shops and kiosks;

(iv) restaurants, bakeries and other places for sale of food to the public;

(v) laundries; and

(vi) licensing, regulation and control of the sale of liquor.

2. The functions of a local government council shall include participation of such council in the government of a state in respects the following matters:

(a) The provision and maintenance of primary, adult and vocational education;

- (b) The development of agriculture and natural resources, other than the exploitation of minerals;
- (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.

Adam (2006) defined revenue as the fund required by the government to finance its activities. These funds are generated from different sources such as taxes, borrowing, fine, fees etc.

The 1999 Nigerian constitution in section 162 (10), defined “revenue” to mean any income or return accruing to or derived by the Government of the Federation from any source and includes:

- a) Any receipt, however described, arising from the operation of any law;
- b) Any return, however described, arising from or in respect of any property held by the Government of the Federation;
- c) Any return by way of interest on loans and dividends in respect of shares or interest held by the Government of the Federation in any company or statutory body;

Sources of Local Government Revenue

External Sources: Externally generated revenue refers to the local government funds generated outside the local government area of administration (Alo, 2012: 23). In Nigeria, section 7(6) of the 1999 constitution provides that (a) “the National Assembly shall make provisions of statutory allocations of public revenue to local government councils in the federation, and (b) the Houses of Assembly of states shall make provisions for statutory allocation of public revenue to local government councils within the state” (Federal Republic of Nigeria, 1999). The external sources of local government revenue include:

- i. The 20.60% statutory allocation from the Federation Account
- ii. 10 % from State Governments internally generated revenue
- iii. 35% Value Added Tax (VAT) allocation
- iv. Grants- block and specific from the central government. Block grant is the usually monthly grant while specific grants is for specific project
- v. Loans to carryout special projects
- vi. Excess Crude Revenue
- vii. Stabilization Fund and
- viii. Exchange Rate Gain (Jummare, 2001:74, Udey, 2005:48, RMAFC, 2009, CBN, 2011:118, Ndan, 2013:54).

The external revenue sources of local government are external because the size of such revenue as well as when and how to generate them are invariably not directly determined or influenced by the local governments.

Internal Sources: The internal sources can be referred to as local taxes, rates and user charges that are derived from various sources. In fact, the 1999 Nigerian Constitution under section (7) of the fourth schedule provides a long list of sources from which local governments could tap local taxes, user fees and benefit charges. The various ways local government generate revenue internally are community tax and rates; property (tenement) rates; general/development rates; licenses, fees and charges like marriage registration fees, cart/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 centres fees, rents on local government quarters, etc (Moses, Stephen & Basil, 2012). From the foregoing, tax is an imperative ingredient of revenue generation, development and transformation. As Olaoye

(2008), puts it, it is a compulsory levy imposed by the government on individuals, companies for the various legitimate functions of the state (and local government).

Problems of Internal Revenue Generation and Collection in Nigerian Local Governments

It is an indubitable and incontestable fact that the internal revenue generation of most local governments in Nigeria is far below expectation, *ceteris paribus*. Several reasons have been adduced by scholars and practitioners for why internal revenue generation is unsatisfactory. For instance, the report of the Dasuki committee on the federation in 1978/79 observed that generally...

the performance of local governments in revenue collection is very low. The following factors are responsible for the situation: poor communication network, particularly in the riverine areas of the country; lack of commitment on the part of some revenue collectors, some of whom are down-right dishonest; and defective revenue collecting machinery. In addition, some of the laws for revenue collection have not been updated by various state governments especially in areas of rating and tenement rates. In this regard, particular mention has been made of the local government areas in Kano and Kaduna states between 1979 and 1983 (cited in Moses, Stephen & Basil, 2012:98).

The problems of internal revenue generation in the Nigerian local government system according to Egomwan (1984) are also

compounded by the fact that the state governments have acquired the more lucrative, elastic and collectable revenue sources (e.g. water rates, motor vehicle license fees, form building plans), leaving local government with taxation with low ceilings revenue which are administratively and politically difficult to exploit in an environment where the vast majority of the people are poor, self-employed and dispersed in rural areas. The attitude of tax rate collectors in local governments also falls short of expectation.

The problem of internal revenue generation in the Nigerian local governments can be summarized as observed by Onyishi (1995) to include: "poor revenue assessment and methods of collection; paucity of technically trained and experienced revenue assessors and collectors, obsolete revenue by-laws, sheer fraud, uncooperative and uncompromising attitude and 419, sharp practices on the part of tax, rate, rate and fees payers, inefficient supervision and control, and ineffective auditing system." The problem of poor internal revenue generation is also compounded by the socio-political environment of the local government system in particular and the Nigerian society in general, which is predicated on prebendalism.

Mustapha (2012) opines that overdependence of the local governments on the statutory allocation from the federation account is a prime factor that has affected their efforts to look inward to adequately exploit existing and revenue sources. He further opines that the returns from the IGR of the local governments are significantly low yield. Also, corrupt practices are prevalent in the operation and tractions of the local governments; the IGR inclusive. Furthermore, he found that lack of proper accounting practices and book keeping have constituted a great hindrance to the financial progress of local governments.

Although his study has done so much by discovering some of the hindrances to IGR in Zaria, Kaduna South and Jema'a Local Government Areas of Kaduna state from 2000-2005, there is the

need to conduct new study on IGR to find out changes that occurred, and to authenticate his findings. It is also important to note that in this computer (Information and Communication Technology ICT) age, cattle tax may have been overtaken by other forms of taxes.

Anyio (2012), examined existing sources of local government finances and explored new avenues to increase their financial viability. The paper used largely documentary sources and personal observation, the Spearman's rank correlation coefficient was used to test the degree of relationship between internally generated revenue, statutory allocations and the level of development in local governments. His study found that the implication of local government over dependence is viewed from the level of uncertainty. Nigeria being a petro-dependent economy with fluctuating oil prices and other sectors merely striving or simply non-existent could spell a dooms day should the 1980s situation of fallen oil revenue reoccur. If it so happened, with local government inability to raise user charges and other internally revenue sources, it will be difficult for them to execute development projects let alone pay their staff. Another level of uncertainty is with what the federal government will give them as their fair share from the federation account and since this is not consistent, it could seriously impinge the developmental abilities.

The second implication is that of autonomy. With the degree of overdependence on statutory allocations, local government cannot be said to be autonomous. This has eluded local governments for a longer period so much that they are unable to attain fiscal independence. This implies they are virtually left at the mercy of the Federal and State Governments. Anyio (2012) has pointed out the syndromes and consequences of local governments overdependence on statutory allocation made local governments to relegate their internal source of revenue. He also correlated the relationship between the external and internal sources of revenue, the negative effects of the relationship and the looming danger of such effects. Since IGR is sine qua non to local governments finance and its development, this study seeks to focus on IGR particularly factors bedevilling it over the years.

Theoretical Framework

Theoretical framework provides a working guide or platform for analytical discussion of a subject matter, which does not only contribute to the rational understanding of the study but greatly improves the level of accuracy of scientific judgment. In this regard, this study adopted the Cannon of Taxation by Adam Smith, (1776) in his book "The Wealth of Nations". Smith offered an important and appropriate principle which he called the Cannons of taxation". Its elements include; equality, certainty, economy and convenience (cited in Ndan, 2013:84).

Cannon of Equality: This principle states that the subjects of every society have to contribute towards the support of government as much as possible in proportion to their capacities. That is in proportion to the income which the individual enjoys under the protection of the state.

Cannon of Certainty: This principle is proposed to protect the taxpayers from undue harassment from tax officials or their agents. The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity and or amount to be paid all ought to be clear and plain to the contributor and to every other person. Adam Smith contended that if a scope for arbitrariness exists then under such circumstances even honest tax machinery will be rendered unpopular.

Cannon of convenience: It is required that the mode and timing of tax should be as far as possible convenient to tax payers. For instance, the pay as you earn (PAYE) system is designed to make tax payment more convenient to the taxpayers. This cannon recommends that unnecessary trouble to the tax payers should be avoided otherwise various ill-effects may result from tax payment.

Cannon of Economy: Bearing in mind that every tax has an administrative cost for both assessment and collection, it is important that cost of collection should be minimal as possible. It will be very uneconomical and a waste of public funds to impose taxes which are too widespread and difficult to administer.

The foregoing conditions or cannons are definitely not an all inclusive list of the requirements of good tax system but they none-the-less represent the major considerations around which tax policies are determined. Some have expressed reservations as to the relevance of Smith Cannons on the grounds that they were propounded in response to the conception of the state and its role in intrinsic merits that Smith professed. Without prejudice to these views, one finds the intrinsic merits of Smith's cannon overwhelming and very relevant to any social conception for the role of the state in the main stream of the economy and they remain therefore very useful measures of the quality of any tax system (Cited in Ndan, 2013:84-86, Bhatia, 2012, Udeh, 2005:64-65, Oriakhi, 2004:145-148).

Relevance of Principles or Cannon of Taxation to this study

Cannon or principles of taxation serve as the theoretical framework of this study because it has been seen as one of the best criteria or yardstick to be followed for smooth collection of taxes and rates from the tax payers. As such, when used on tax administration in Giwa Local Government, it will greatly improve the stock of IGR, reduce waste, corruption, enhance the image of tax collectors, encourage tax payers, enhance cross-functional co-operation and information sharing, provide strategy on how tax would be administered at the right time and right place, by patriotic tax collectors as well as conducive atmosphere for such affairs.

This study therefore, accepts the cannon of taxation by Adam Smith as it theoretical framework. In other words, an attempt will be made to see how Giwa Local Government Area complied with these cannons of taxation towards the accomplishment of equity and fairness as well as boosting their IGR.

Methodology

The research design for this study is the survey research method. The study population includes all the Giwa local government staff (both senior and junior). Two departments were purposefully sampled through stratified random sampling namely; finance department with 138 staff and budget, planning, research and statistics department with 15 staff which constitute a total of 153 population, 40% was drawn and we arrived at 61 staff as sample size. The study utilized both primary and secondary data; the primary data were collected using structured questionnaire and semi- structured interview, while the secondary sources utilized textbooks, journals, and internet materials retrieved and reviewed. Others include official publications like Giwa Local Government budgets and audit reports from 2009 to 2013, the Kaduna State Local Government bye laws on internal revenue and reports of the Auditor General for Local Governments 2009 to 2013. 61 questionnaires were administered to both senior and junior staff of the two departments under study, 53 were return and 46 were duly filled. The data was analyzed quantitatively through the SPSS using frequency tables, simple percentage while chi-square was used to test the cause-effect relationship in the hypothesis.

Data Presentation and Analysis

This section presents and analysed data essential to achieve the objectives of this study.

Table 4.1 Percentages of Total Internally Generated Revenue (TIGR) to Statutory Allocation (SA)

Years	TIGR	SA	Percentages
2009	37,478,063	1,488,640,713.00	2.5%
2010	21,602,905	1,898,325,163.41	1.1%
2011	7,120,000	2,060,814,670.07	3.5%
2012	6,534,484	2,614,681,242.00	2.5%
2013	6,447,200	2,663,144,848.00	2.4%
Total	79,182,652	10,725,606,636.48	12%

Source: *Giwa Local Government Budgets (2009-2013), Reports of the Auditor general for Local Governments on Account (2009-2013).*

On table 4.1, it can be observed that the percentages of the TIGR to SA are within the range of 1.1% to 3.5%. It shows that only 12% was the TIGR to SA in the years under study, this is very low compared to the numerous sources of revenue available to Giwa Local Government. This situation depict low yield, and also confirms the level of over dependence of Giwa Local Government on statutory allocation. This is an unhealthy state of affairs for Giwa Local Government. If it must rise up to accomplish its assigned functions to meet the expectations and yearnings of its populace, it must make concerted efforts to improve its IGR.

Table 4.2: The local government IGR strategy is essentially effective

Responses	Frequency	Percentage
strongly agree	8	17.4%
Agree	9	19.6%
Disagree	16	34.8%
strongly disagree	7	15.2%
Undecided	6	13.0%
Total	46	100%

Source: *Researcher's Survey (2015)*

The table 4.2 above shows that 8 respondents representing 17.4% strongly agreed, 9 respondents representing 19.6% agreed making the sum of 16 respondents representing 37% who agreed that Giwa local government IGR strategy is essentially effective. But 16 respondents representing 34.8% disagreed, 7 presenting 15.2% strongly disagreed making a total of 23 respondents representing 50% who disagreed with the motion and 6 representing 13.0% were undecided, the above indicate that based on 50% who disagreed and strongly disagreed that Giwa local government IGR strategy is essentially not effective, these means that there is not effective strategy for revenue generation in Giwa local government and this led to low yield of IGR.

Table 4.3: Staff training for Efficient Revenue Generation

Responses	Frequency	Percentage
Very often	5	10.9%
Often	10	21.7%
Not often	31	67.4%
Total	46	100%

Source: *Researcher's Survey (2015)*

Table 4.3 above shows that 5 respondents representing 10.9% are of the opinion that very often revenue staff are sent for training, 10 respondents representing 21.7% opted for often making the sum of 15 respondents representing 32.6% who are of the opinion that staff are frequently sent for training. But 31 respondents representing 67.4% opted for not often, the table shows that 67.4% of sampled respondents affirmed that the staff of Giwa local government are not often sent for training, these means that the staff are not highly skilled and this affects staff capacity for effective revenue generation in Giwa local government.

Table 4.4: Revenue collectors remit high amount into local government account

Responses	Frequency	Percentage
strongly agree	2	4.3
Agree	5	10.9
strongly disagree	22	47.8
Disagree	14	30.4
Undecided	3	6.5
Total	46	100

Source: *Researcher's Survey (2015)*

The table 4.4 above shows that 2 respondents representing 4.3% strongly agreed, 5 respondents representing 10.9% agreed making the sum of 7 respondents representing 15.2% who agreed that revenue collectors remit high amount into local government account. But 22 respondents representing 47.8% disagreed, 14 representing 30.4% strongly disagreed making a total of 36 respondents representing 78.2% who disagreed with the motion and 3 representing 6.5% were undecided, the above indicate that based on 78.2% disagreed and strongly disagreed that revenue collectors remit high amount into Giwa local government account, this mean that there is corrupt practices by must revenue collectors as they remit only paltry amount into Giwa local government account, and this have denied Giwa local government opportunity to raise sufficient amount of revenue from the internal sources.

Table 4.5: There is proper utilization of the IGR in your local government

Responses	Frequency	Percentage
strongly agree	4	8.7%
Agree	7	15.2%
Disagree	14	30.4%
strongly disagree	21	45.7%
undecided	0	0
Total	46	100%

Source: *Researcher's Survey (2015)*

The above table shows that 4 respondents representing 8.7% strongly agreed, 7 respondents representing 15.2% agreed making the sum of 11 respondents representing 23.9% who agreed that there is proper utilization of IGR in Giwa local government. But 14 respondents representing 30.4% disagreed, 21 representing 45.7% strongly disagreed making a total of 35 respondents representing 76.1% who disagreed with the motion and none were undecided, the above indicate that based on 76.1% disagreed and strongly disagreed that there is improper utilization of generated revenue in Giwa local government, this mean that there is mismanagement and misappropriation of IGR in Giwa local government and this bring about non-compliance by taxpayers.

Table 4.6: Strategies that will yield high revenue for your local government

Responses	Frequency	Percentage
Through use of highly skilled local government tax collectors	21	45.7%
Through use of enlightenment campaign	10	21.7%
Through use of task force	9	19.6%
Through use of traditional authorities	3	6.5%
Through contracting out to contractors	3	6.5%
Total	46	100%

Source: *Researcher's Survey, (2015)*

The above table shows that 21 respondents representing 45.7% opted that through the use of highly skilled tax collectors there will be high yield of IGR, 10 respondents representing 21.7% opted for the use of enlightenment campaign, 9 respondents representing 19.6% opted for the use of task force making a total of 40 respondents representing 87% who are with the highest opinion. But 3 respondents representing 6.5% opted for the use of traditional authorities, while 3 respondents representing 6.5% opted for contracting out to contractors. The above indicate that based on 87% who are with the highest opinion that through the use of highly skilled revenue collectors, enlightenment campaign and the use of task force there will be enormous yield of IGR in Giwa local government.

Test of Hypothesis

As earlier stated in the methodology section, chi-square (X^2) distribution was carried in testing the hypothesis. The null (H_0) to be tested states that “effective strategy for revenue collection in Giwa Local Government does not lead to enormous yield of IGR”. The independent variable is `effective strategy` while the dependent variable is `enormous yield of IGR`. The study wants to see how independent variable affects the dependent variable.

Table 4.7 Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)	Monte Carlo Sig. (2-sided)		Monte Carlo Sig. (1-sided)			
				Sig.	99% Confidence Interval		99% Confidence Interval		Sig.
					Lower Bound	Upper Bound	Lower Bound	Upper Bound	
Pearson Chi-Square	39.444 ^a	6	.000	.000 ^b	.000	.095			
Likelihood Ratio	46.520	6	.000	.000 ^b	.000	.095			
Fisher's Exact Test	38.481			.000 ^b	.000	.095			
Linear-by-Linear Association	23.871 ^c	1	.000	.000 ^b	.000	.095	.000	.095	.000 ^b
N of Valid Cases	46								

a. 8 cells (66.7%) have expected count less than 5. The minimum expected count is .16.

b. Based on 46 sampled tables with starting seed 2000000.

c. The standardized statistic is 4.886.

Source: *SPPS Version 16.0*

From the chi-square output on table 4.8 above, hypothesis testing procedures is as follows:-

Chi-square calculated value is the person chi square value which is = 39.444

Degree of freedom (df) = 6

Level of significance (α) = 0.05.

Critical or tabulated value at 6 df and α value of 0.05 = 12.592

Decision Rule

Accept the null (H_0) if the X^2 calculated value is less than critical (tabulated) X^2 value, if otherwise reject.

Results

Comparing the chi-square computed value of 39.444 with chi-square critical (tabulated) value of 12.592 it is clear that the X^2 calculated value is greater than the X^2 tabulated value. As such, we reject the null hypothesis (H_0) and accept the alternate hypothesis (H_1).

Because the null hypothesis (H_0) is rejected in favour of the alternate hypothesis (H_1) it could be concluded that effective strategy for revenue collection in Giwa Local Government will lead to enormous yield of IGR. This further proves that there is a significant relationship between `effective strategy` as the independent variable and `enormous yield of IGR` as the dependent variable, meaning that effective strategy will bring about high yield of IGR, and ineffective strategy brings about low yield of IGR in Giwa local government.

Discussion of Findings

Based on the data analysed, the paper arrived at the followings as the major findings which by implication constitute the factors responsible for the low yield of IGR in Giwa Local Government:

- i. That Giwa local government depended too much on external sources of revenue, and this has affected its efforts to initiate and look inward to adequately exploit existing internal sources and to explore new sources, invariably resulting to the low yield of IGR. This is an unhealthy state of affairs for Giwa Local Government. If it must rise up to accomplish its assigned functions to meet the expectations and yearnings of its populace it must make concerted efforts to improve on its internally generated revenue.
- ii. That the strategy used by Giwa local government in IGR is essentially not effective, these means that there is no effective machinery for revenue generation in Giwa local government and this led to low yield of IGR.
- iii. That Giwa local government sends its staff on training but not often, these means that the staff of the finance department are not highly skilled and this has affected the effectiveness of the machinery to generate revenue internally for Giwa local government.
- iv. That revenue collectors remit only paltry amount into Giwa local government account, this signifies corrupt practices by most revenue collectors and this has denied Giwa local government the opportunity to raise sufficient amount of revenue from its internal sources.
- v. That there is improper utilization of generated revenue in Giwa local government, this means that there are mismanagement and misappropriation of generated revenue and this brings about non-compliance by taxpayers.
- vi. That through the use of highly skilled revenue collectors, enlightenment campaign and the use of task force there will be enormous yield of IGR in Giwa local government.

Conclusion

There is no meaningful project that can be executed in Giwa local government without adequate financial resources that are derived from revenue. Revenue is the vital fluid that ensures that local government is run effectively and in a sustainable manner for the overall wellbeing of its populace. The idea of local governments being too tied to monthly statutory allocations should be discouraged. Local government should look inwardly to improve its revenue. It must explore the innovative approach of generating revenue internally that will stand as a viable option in case of eventuality from external sources. IGR is a means to an end and also a strategic source of financing local governments' operation and which can be explored given the enabling environment and

political will. Some bedevilling snags however, still exist which have hindered efficient internal revenue generation in the local government.

Recommendations

The following suggestions can serve as antidotes: i. As a basis for efficient and effective revenue collection, it is necessary that professionals are recruited, deployed appropriately, retrain in modern scientific techniques (ICT) adequately compensated and equip them with adequate managerial tools that fit the test of term. In addition, the local government finance department should equally be equipped with modern scientific gadgetry for efficient and effective administrative and financial operations.

ii. For enormous yield of IGR, there should be innovative and strategic mechanism that will enforce the full tap of existing revenue sources, and also exploit new avenues of generating revenue internally through financial investment like entering into partnership with private individuals and organizations, commercial farming, animal husbandry, motorcycling transportation (Keke-Napep), building of corner shops, pure water/ yoghurt and block making industry. More so, audit alarm should be given its proper place.

iii. For proper compliance from the taxpayers, the local government should endeavour to provide basic social amenities like electricity supply, primary health care, good road, water supply, basic education and home for the destitute etc. so that taxpayers will appreciate the benefit of paying taxes which will in turn encourage them to be prompt in compliance and this will eventually lead to high revenue generation from taxes and rates.

iv. The local government financial control mechanism should be strengthened to avert the situation of mismanagement and misappropriation of generated revenue, all the guideline related to local government in the Financial Memoranda and the provisions of the Fiscal Responsibility Act (2007) should be strictly adhered and due process mechanism be given its proper place in the local government.

v. Any act of corruption or fraud should be exposed immediately a whistle is blown in that direction. Anti-corruption and other related offences agencies must be kept abreast of such development. More so, serious punitive measures such as repayment, withholding of salaries or outright dismissal should be employed for all those caught in the act of corruption.

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