



**Impact of state/local government joint account on local government performance:
The study of Bauchi State - Nigeria**

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Abstract

This paper measured performance of local government councils in it relation to State/Local Government Joint Account in Bauchi State. The study utilized Multi-stage sampling technique: Cluster sampling was used to divide the state in to three (3) clusters while purposive sampling technique was used to select two Local Governments; one rural one urban from each cluster (senatorial district). The study utilized primary source of data, descriptive and inferential statistics were used in data analysis. The study found out that, despite billions of naira allocated to local government areas in the state through State/Local government Joint Account, the State government has not released the actual statutory allocations to the local government councils. Hence these resources were not harnessed and channelled to grass-root development. The study concluded that, SLGJA have not impacted positively on the lives of people in Bauchi state. The study recommended the scrap of the State/Local Government Joint Account to ensure sovereignty and financial autonomy of local government areas. Also, Local governments' performance rating institutions should be created to evaluate and measure performance of Local Government across the country on regular basis.

Keywords: Inter-Governmental Fiscal Relations, Revenue Allocation, State/Local Government Joint Account

1. Introduction

Local Governments in Nigeria are constitutionally assigned far reaching functions to perform. Beside areas of their mandatory functions, they have to perform other concurrent functions with state governments. For them to perform these functions, they were allocated both independent revenue sources and statutory revenue. Financial records of many local governments' shows that majority of them could not generate more than 10 % for their internal revenue sources. They depended heavily on their statutory allocation from the federation Account. Section 162 (6) of the 1999 constitution

has made it mandatory for the operation of State/Local Governments Joint Account under which the Local Governments' share from Federation Account would be disbursed. As a result of this development, Local Governments in Nigeria are contemporarily not financially autonomous because their major source of revenue (statutory allocation) is not reaching them directly from the federation account but rather through the Joint Account with the state in which they exist. Lack of financial autonomy of local government incapacitated them to ensure development at the grass-root level. The embezzlement of public funds, corruption and lack of



proper management of financial resources coupled with lack of accountability by most local government councils are some of the major driving forces behind State/Local Government Joint Account.

Local Governments in Bauchi state have been seriously hampered by State/Local Government Joint Account. At the early inception of democratic government i.e.1999-2003, local governments in Bauchi were benefiting more from their allocations than in the period under review because Bauchi Local Government alone was able to execute capital projects that worth over N91millions in 84 communities, between June2002, to April2003, (Abdulrahman, 2003). As at the end of the year 2014, the thing changed from bad to worse as evidenced by the fact that local government only pays salaries without executing a reasonable number of capital projects. Local Governments cannot execute capital projects because they lack financial autonomy, Mbam (2011). Thus, State/Local Government Joint Account is a vehicle for the diversion, deduction and siphoning of the allocations to local government councils which continues to drastically reduced the local government councils' funds meant for development and the provision of essential services to the rural dwellers. This in fact affects Local Governments performances in most of the Nigerian States to the extent that response to local needs is abysmally low.

The rationale behind this study is that, Joint account has become a bone of contention among scholars and practitioners in Nigeria. Apart from the

controversial nature of the Joint Account, the State/ Local Government Joint Account Allocation Committee serves as an instrument for the diversion of councils' money by the state government and thereby frustrating the administration and mandates of Local Government. Local Government Joint Accounts has been used to siphon away billions of tax payers' money by unscrupulous Nigerians (Daily Trust, September 2015:45). In the light of this background therefore the researcher sees it very imperative to assess the performance of local government councils under this financial relation in Bauchi state with the aim of finding out whether or not Joint Account has increased local government performance. The main objective of the study is to assess the impact of State/Local Government Joint Account on the performances of local government councils in Bauchi state-Nigeria. Other specific objectives of this study includes assessing the impact of State/Local Government Joint Account on the execution of capital projects, examining the impact of State/Local Government Joint Account on the payment of workers' Salaries, assessing the impact of State/Local Government Joint Account on Local Governments' assistance to clubs and societies in community development, finding out the challenges that local government face in the implementation of State/Local Government Joint Account.

The need for the study arises from the fact that the palpable poor performances of Local Governments in the state has attracted scholarly interests and generated public discourse aimed at providing drastic solutions to the ugly trend. The study

would be of great importance to students and researchers because theoretically it will serve as frame of reference in similar areas thereby advance the frontiers of knowledge in the field of local government, public administration and public finance. The government, policy makers and the individual citizens too will use it as reliable sources of data for examining the impact of state/local government Joint Account on Local Government performance also it will reveal to them the relationship between public spending and socio-economic development with a view to possibly stimulating the Joint Account Allocation Committee to properly disburse and channel the Local Government resources to rural development. The study covered six local governments, two from each of the three (3) senatorial districts of the state, in which one rural and one urban. The senatorial districts are: The south, Central and North Senatorial Districts. The selected Local Governments include Bauchi, Alkaleri, Ganjuwa, Misau, Katagum and Itas/Gadau. This is to ensure that all part of the state is represented. The study also covered the period of eight years, 2007 to 2014. The justification for choosing the period is that, it covered complete two tenures of the past state government.

Hypothetically, there are no significant differences among the attitudes of the three respondents to the Joint Account. There is no significant correlation between the Joint Account and Performances of local government councils.

2. Literature Review

2.1. State/Local Government Joint Account

The State/Local Government Joint Account (SLGJA) has been defined under section 162 (6) of the 1999 constitution of the federal republic of Nigeria as that account “into which shall be paid all allocations to the local government councils of the state from the Federation Account and from the Government of the state”. In the same section 162 (7), the constitution clearly stated that “each state shall pay to local government council 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.” In regard to this, the National Assembly provided that 10 per cent of the state’s total internal revenues should be given to local governments of that state. This is to increase the size of the grand before sharing, but unfortunately the state government of some state usually reduces the size before sharing through some deductions e.g. 5% to Bauchi State University, Gadau. All these provisions were made in order to have effective and efficient utilization of these financial resources at the local level (Wamakko, 2010). Furthermore, the same law that created local government makes provision for the establishment of a State/Local Government Joint Account Allocation Committee (SLGJAACs) to be responsible for the disbursement of these funds to the various local government councils in the states. Ordinarily, this is meant as an avenue for the effective disbursement and proper channeling of funds from the



federation account and the state to developmental projects at the local government level, Rotimi (2012). In the same vein, Jimo Abubakar (2011) rightly observed that "Monthly allocation is expected to be judiciously utilized in addressing the socio-economic development of state and local government." These committees most at times fails to discharge their responsibility effectively. Instead, the committee serves as an avenue for looting money meant for local governments. Therefore, the committees exist as virtual drain pipes for the diversion and siphoning of council's money by the state government. Yet most of the states still corner rightful allocation to their local government councils. By this they frustrated the administration and mandates of local governments, Jimo Abubakar, (2011). The Joint Account in this regard, serves as stumbling block for grass-root development since local government councils will have little resources (financial) at their disposal. The more resources at the disposal of the local councils the higher social services they can provide to their people. The politicians make in-adequacy of the fund to most heads of local government even if they desire to be committed to effective discharge of their roles. However, the members of the committee include: the commissioner responsible for local government in the state to be the chairman, the chairman of each Local Government Council in the state, two persons appointed by the governor, two representatives of the Accountant General of the federation, Accountant General of the state and the permanent Secretary of the state ministry charge with the responsibility for local

government shall be the secretary to the committee (Allocation of Revenue Act, 2002).

2.2. Revenue Allocation/Distribution of the Federation Accounts

The amount standing to the credit of the federation account less the sum equivalent to 13 per cent of the revenue accruing to the federation account directly from any natural resources as a first line charge for distribution to the beneficiaries of the derivation funds in accordance with the constitution shall be distributed among the federal and state governments and the local government in each state of the federation on the following basis, that is to say-The federal government 56.00 per cent, the state government 24.00 per cent, and the local government councils 20.00 per cent (Allocation of Revenue Act, 1992, No. 106. S.19 of, 2002). Based on the distribution above, local governments were given the lowest share which is 20.00 per cent, while they are the nearest governments to the people. Subject to the provision of this Act, the amount (20 percent) standing to the credit of local government councils in the federation account shall be distributed among the states of the federation for the benefit of their local government councils using the same factor specified in this Act and also based on the principle of revenue sharing in use (Allocation of Revenue Act, 1992 No.106 S.19 of 2002). Various revenue committees/commissions in Nigeria such as the Binns committee of 1964, the Okigbo committee of 1980, the revenue mobilization allocation and fiscal commission of 1989 and other committees



recommended the following principles of revenue sharing: Basic needs, fiscal efficiency, minimum material standard, minimum responsibility of government, balance development, population, derivation, social development factor, equality of access to development opportunities, equality of states, independent revenue/tax effort, land mass and terrain, absorptive capacity and internal revenue generation efforts (Awolaja,2011). These principles of sharing national cake continued to serve as the yardstick for revenue allocation up to 2014. In addition to allocation made from the federation account under section 1 of this Act to local government councils, there shall be paid by each state in the federation to the state/local government joint account (as specified in sub-section (5) of section 162 of the constitution of the federal republic of Nigeria) in each quarter of the financial year, a sum representing 10 percent of the internally generated revenue for each state in the federation. The 10 per cent of each state's internally-generated revenue payable to the local government councils in the state, under the provision of sub-section (1) of this section, shall be distributed among the local governments in the state on such terms and in such manner as the state House of Assembly may prescribe, (Allocation of Revenue Act, 1992 No.106. S.I 9 of,2002). Revenue allocation has components. Basically, the components of the revenue allocation formula used for the disbursement of the federation account are two and they include the following: Vertical and Horizontal allocation formula, (Bashir, 2008). The Vertical Allocation Formula shows the percentage allocated to

the three tiers of government: Federal, states and local governments. This formula is applied vertically to the total volume of disburseable revenue in the federation account at a particular point in time. The Vertical Allocation Formula (VAF) allows every tier of government to know what is due to it; the federal government on one hand and the 36 states and 774 local governments on the other (Bashir, 2008:3). The Horizontal allocation formula shows the percentage allocated among states and local governments. That is to say, it provides the basis for sharing of the volume of revenue already allocated to 36 states and 774 local governments. Thus, the formula is applicable only to states and local governments and through the application of the principles, the allocation due to each state or local government is determined and defined. It is pertinent to note that while vertical allocation formula is between the three tiers of government (inter), horizontal is mainly the allocation that takes place between 36 states and their local governments (intra), (Bashir, 2008).

2.3. Inter-Governmental Fiscal Relation

Inter-Governmental Relation like any other social science concepts has no single definition because many scholars attempted to define it in their perceptions. Inter-Governmental Relation has to do with the relationships, both vertical and horizontal, that exist between the various organs and departments within the sovereign government of a particular country, (Abonyi, 2006). The above definition further connotes that Inter-Governmental Relation would mean the relationships existing among the various



levels of government (vertical) from the federal, state to the local government levels; between the various ministries and parastatals (Horizontal). Wright (1972) defines inter-governmental relations as comprising all the permutation and combinations of relations among the units of government in a federal government. This definition is seen as incomplete because inter-governmental relation exists even in a unitary system where power is centralized and the regional governments especially the local governments are mere extension of the central government. Inter-governmental relation is “the planned system of management of complex relationship among layers of governments in a given state”. In the same vein Anderson (1975) sees inter-governmental relation as “a term intended to designate an important body of activities or interactions occurring between governmental units of all types and levels within the federal system”. Inter-governmental relation does not mean the relation that exists between the government and the citizens or exists only in federal state but is a relation that exists among levels of government whether unitary, federal or con-federal. This can be proved in the words of Ayoade, (2009) where he pointed out that inter-governmental relation refers to inter-jurisdictional transactions and not transactions between a government and citizens who are objects rather than subjects of inter-governmental transaction. Inter-Governmental Relation is an important aspect of government operations in Nigeria. They are very important in the sense that they have become institutionalized in government operations. Therefore, effective and efficient

management of these relationship (I.G.R) among the three tiers or organs of government within the political system is a sine-qua-non for peace, security, order and good governance in all the levels of governments. Inter-governmental Relation offers more opportunity, inter-linkage and complementary in the running of the Nigeria public affairs. These can be achieved, if the relationship among the three (3) tiers of government negates imposing centralized control over state and local government as it was seen during military regime. Although what we are witnessing today is the state control over local government as evidenced by the way and manner state governments withhold financial allocations to the local government as a means to ensure their loyalty to the state governors. The relationship between state and local government in Nigeria is more or less master-servant relations in which the local government subsists at the mercy of the state government (Article Nigeria, 2013). In order to ensure the smooth running of the federation and minimize potential destabilizing inter-governmental crisis, however, inter-governmental cooperation becomes essential. Besides other factors, inappropriate appreciation of the understanding of the workings of a federal system by the operators of the system has been a significant factor in the crisis that has bedevilled the administration of local governments in Nigeria. In contemporary world, all federal systems have found it imperative to engage in a network of formal and informal interactions (Inter-Governmental Relations) between or among levels of government in the polity. These relations take different forms, it can



be vertical or horizontal but for clear understanding, Olufemi and David (2009) enumerated six types or patterns of relationship that are possible in Nigerian federation. These include: Federal-State Relations, Federal-State-Local Relations, Federal-Local Relations, Inter-State Relations, State-Local Relations and Inter-Local Relations. By virtue of its name, the Federal-State-Relation is a vertical transaction, cooperation or relationship that exists between federal and state government. Federal-State-Local Relation is the second type of inter-governmental relation which involves transactions, cooperations or relationship that occurs between or among the three layers of government namely the Federal, State and Local Government in the federation. All relations that exist between the upper and the lower layer of government are term Federal-Local Relations. It is the relationship, cooperation or transaction between two levels of governments; the central and the grass-root government. Inter-States-Relation which is also known as states-to-states relation also is a horizontal relationship, transaction or cooperation among different states. Interstate relation may be required to put in place a project which would generate benefits for citizens in more than one state. State-Local-Relation has it premises at the regional governments-states and local governments. It is therefore a relationship, transaction or cooperation that normally exists between state and Local Governments. Inter-Local-Relation is the last pattern of relationship. It involves cooperation, transaction or relationship that horizontally exists among Local governments. Here the Local dwellers are

the objects of inter-governmental Relation while Local governments are the subjects. Whatever may be the case, all relations among the three organs of government in Nigeria must fall under any of the above types of relationships in either vertical or horizontal direction. Any forms of relations that failed to cover the above-mentioned areas could not be considered as full and meaningful analysis of inter-governmental relations. Inter-Governmental Relations are paramount in any system of government especially in the federal system where governmental powers are shared among two or more tiers of governments. Abonyi (2006) in his book inter-governmental relation in democratic federalism outlines the following importance of Inter-Governmental Relations; it reduces friction among the various levels of government. It encourages cooperation rather than competition at all levels of government. It promotes peace, harmony and mutual co-existence in governance. It is therefore inclusive not exclusive. It encourages fiscal discipline in the system. It encourages national integration, development and empowerment through cooperative interactions among the various levels of government. It ensures judicious management of time, men and materials at government disposal and lastly, it ensures grass-root development, engenders confidence and trust, self-reliance and enables government to adopt a holistic approach to problem solving. The above significance of Inter-governmental Relation mentioned by Abonyi (2006) not only necessitated but also mandated the various levels of government to engage in a network of relationship among



themselves in order to provide citizens with a comprehensive package of services (cooperative governance). By looking at the last factor above, even the solution of a problem some time cannot be achieved without a network of relationships among the different layers of government. For instance, in the case of disease outbreak one government usually finds it very difficult to overcome the problem until other states or central government intervenes. This example is enough to make inter-governmental relation mandatory among different layers of governments since other states may be affected if serious action is not taken to resolve the problem. As stated above, inter-governmental relation engenders self-reliance between and among governments but the one between Bauchi state and its various Local Government engendered dependence of the later on the former. Also, inter-governmental relations usually ensure development at the grass-root quite sure but how can this be achieved if local government is not financially independent? Can development be achieved in a situation where the execution of project that exceeded five hundred thousand in local government is subject to the approval of a governor? The answer is no and that is why rapid development is not realistic in the third world countries. A lot of factors have enforced the relationships among governments. According to Obiyan, (2009) the following are the compelling forces that necessitated cooperation among tiers of government;

(a) It is not always possible to divide the jurisdiction of central and state governments into watertight compartment in which case their functions sometimes

overlap. (b) The relative constitutional inflexibility in federal systems has prompted the various levels of government to search for flexibility through collaboration. (c) The provision of concurrent powers in a federal system makes cooperation necessary. (d) In areas where courts have restricted the exercise of either federal or state power, cooperation becomes necessary. (e) The need for some level of equalization of the range and quality of public services available to all citizens has prompted some central governments to provide grants to units which sometimes produced central-state projects or programmes. Natural disasters such as drought, flood or other occurrences which are beyond the financial strength of a unit usually compels the unit to solicit for federal assistance. (f)The action of a state government may adversely affect citizens of other states. In this regard inter-state cooperation would be necessary. (g) Joint economic planning is usually undertaken by the general and regional government. This is necessary to ensure national economic integration. (h)The last but not the least, inter-state cooperation may be required to put, in place, a project which would generate benefits for citizens in more than one state. All these factors (forces) have made inter-governmental relation not only in federal system but also in other system paramount for the smooth operations of government. According to the researcher also, for proper or good relationship to be maintained rigid constitutionalism must be avoided and a strong tendency toward flexible constitutionalism that will pave way for interwoven among layers of

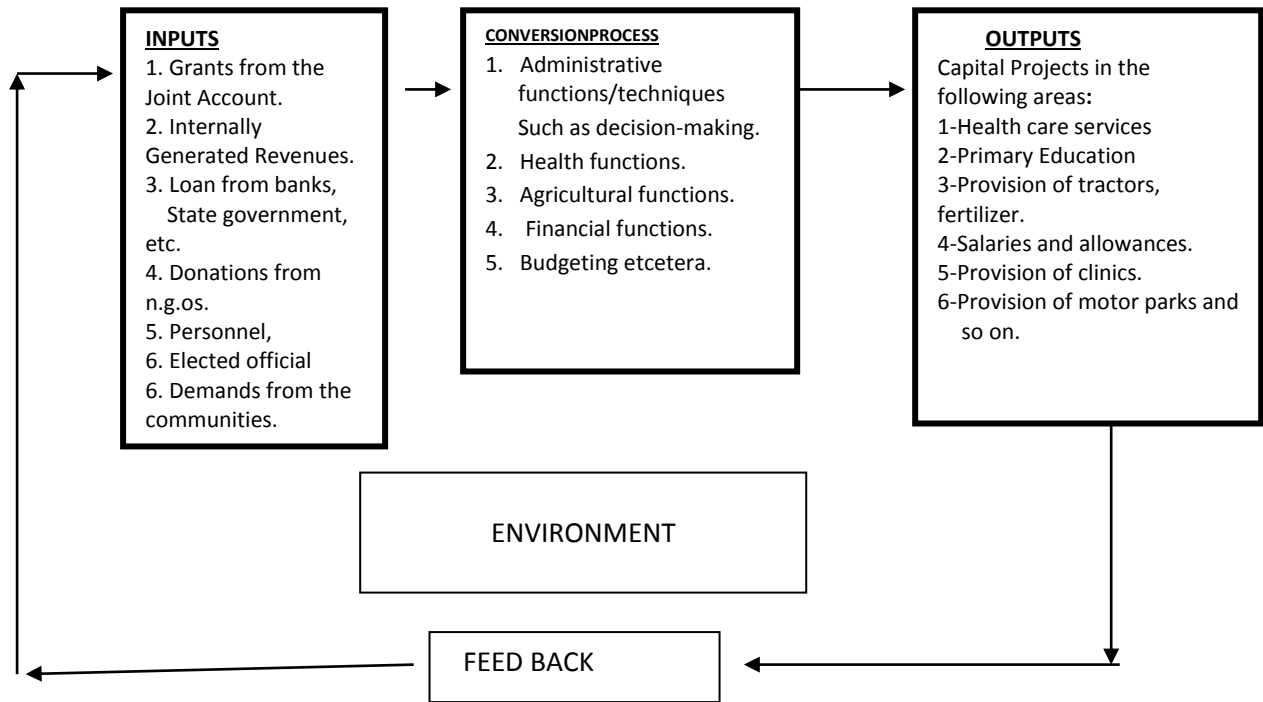
government would help resolve the above issues.

2.4. Theoretical Framework

For the purpose of this study, the system theory is adopted to serve as guide for this study. Since the purpose of theory in research help to explain and understand phenomena and to identify the important variables that may be related, the theoretical position of modern theory would be adopted and fused in this study. Five important variables of the system theory are utilized in this study: inputs, process, outputs, feedback, and environment. The reason for the choice of this theory is due to the system nature of both the Local Government Councils and the State/Local Government Joint Account. Local Government Councils in Bauchi State operate as open systems and have the following characteristics: (a). Local Government Councils of Bauchi State, as open systems constantly seek and import resources in form of human resources such as personnel, elected officials, and material resource such as grants from the joint account, internally generated revenues (I.G.R), demands of social amenities from the local people and transform these inputs into social services that raise the living standard of the people. The councils use both social and technological processes in the area of administration, health, agriculture, finance, budgeting and revenues in the conversion processes popularly known as throughput. The effective functioning of these sub-systems (conversion process) gives qualitative outputs for the consumption of both internal and external environment.

(b). Local Government Councils of Bauchi State, as open systems provide social services to its people such as primary health care services, primary education, provision of motor park, provision of clinics, provision of schools, provision of bore-holes, provision of culverts, provision of tractors and fertilizer, etc.. As soon as social service (amenities) is been provided to the local people, a lot of responses will manifest themselves in negative or positive forms. These responses are termed feedback and are used to keep the councils on course and help to assess the performances of the councils and its sub-units/departments by competent authorities such as State legislatures, ministry for local government, etc.

(d). Local Government Councils of Bauchi State as open systems, seek equilibrium or 'stable state' both within the local government and in their relation with the state, federal and more importantly with the local people that bring them to power. Figure 2.3 shows how the system operates. Local Government Councils of Bauchi as open systems are dependent upon the effective functioning of its parts called departments (sub-system). Each department performs a series of needed activities which play a complementary role in converting the inputs into outputs. These departments are many and they include administrative and general service department, finance department, primary health care department, works department, economic and social development (E.S.D), agricultural department, budgeting department and revenue department. Figure 2.1 The Variant Diagram of system theory designed by the researcher.



The responses of local people regarding the services rendered by the councils

Source: Variant Diagram of system theory designed by the author.

3. Research Methodology

The source of data for this study is mainly primary. A structured questionnaire was administered and served as the primary source to this study.

Multi-stage sampling method is used in this study. The Stratified Sampling technique is adopted in the study to stratify the state into three senatorial districts (clusters) and then purposive sampling was used to select two local governments, one

rural, one urban from each senatorial district. Simple Random Sampling is adopted to select the sample of respondents from each L.G.A which gave the sample size of four hundred (400) respondents out of the number of target population of 1,893, 155 people for the six local governments under study. To determine the sample size, Yero Yamani's formula (1967) was used below:

$$n = \frac{N}{1 + N(e)^2}$$

Where; n = sample size, N= Population, 1 = constant., e = Level of significant (0.05).

Solution

$$n = \frac{1893155}{1 + 1893155(0.05)^2}$$

$$\frac{1893155}{4733.8875}$$

$$n = \frac{1893155}{1 + 1893155(0.0025)}$$

$$\frac{1893155}{1 + 4732.8875}$$

n =

n = 400

Data for this study was collected through survey method and questionnaire was administered.

The descriptive and inferential statistics were employed in analyzing the data. Chi-square and contingency coefficient is used to test the Hypothesis. The formula can be seen below:

$$X^2 = \sum \frac{(O - E)^2}{E}$$

Where;

X²= Chi-square, Σ = Sum of, O = Observed frequency, E = Expected frequency,

$$C = \sqrt{\frac{X^2}{N + X^2}}$$

Where; C=the contingency coefficient, N = the total number of frequencies or respondents, X²= the chi-square.

4. Data Presentation and Analysis

4.1 Data Presentation

Table 4.1: Shows the Distribution of Respondents by their Local Government Areas.

S/n	Local Government Area	Frequency	Percentage
1.	Alkali	66	16.5
2.	Bauchi	112	28
3.	Ganjuwa	60	15
4.	Itas/gadua	52	13
5.	Katagum	68	17
6.	Misau	42	10.5
	Total	400	100%

Source: Field Survey, 2021.

The Table 4.1 above shows that Bauchi Local Government has the highest number of respondents with 28%, followed by Katagum 17%, then Alkali with 16.5%, Ganjuwa 15%, Itas/Gadua 13% and the lowest is Misau Local Government which accounted for 10.5%. The percentage of Bauchi is greater owing to the fact that it is the highest

populated L. G. A. among the six Local Governments under review.

Subsequently, the table below shows the increased capacity of local governments through adequate disbursement of financial resources by the State/Local Government Joint Account Committee in the state:

Table 4.2: Adequate Disbursement of Financial Resource to LGCs by SLGJA.

S/N	Responses	Frequency	Percentage (%)
1	Strongly agreed	30	7.5
2	Agreed	34	8.5
3	Undecided	38	9.5
4	Disagreed	196	49
5	Strongly disagreed	102	25.5
	Total	400	100

Source: Field survey, 2021.

Table 4.2 shows the respondents' views about the adequacy of financial resources disbursed to Local Government Councils by the Joint Account Committee. The respondents who showed their disagreement constituted for 74.5% while those who agreed accounted for 16% and those who are not certain whether enough resources have been disbursed to Local Government or not got 9.5%. The table revealed that the Joint Account Committee has not disbursed enough funds to Local

Government councils in the state. The researcher goes ahead to ask whether Joint Account has increased the capacity of the councils to execute capital projects by adequate supply of financial resources. The responses can be seen below in table 4.3: Respondents were asked whether Joint Account has positive or negative effects on the execution of capital projects in various local governments.

Table 4.3: Increased Capacity of LGCs by SLGJA in the Execution of Capital Projects

S/N	Responses	Frequency	Percentage (%)
1	Strongly agreed	24	6.0
2	Agreed	40	10.0
3	Undecided	36	9.0
4	Disagreed	182	45.5
5	Strongly disagreed	118	29.5
	Total	400	100

Source: Field Survey, 2021.

Table 4.3 shows the responses of the three categories of respondents on the effects of Joint Account on capital projects execution. The respondents who showed total disagreement that Joint Account has increased capacity of Local Government Councils to adequately execute capital projects accounted for 75% and those who agreed constituted for 16% while those who

were not certain constituted 9.0%. This shows that Joint Account has negatively affected the execution of capital projects in most Local Governments in Bauchi state. To know precisely whether under SLGJA Local Governments can pay salaries of their workers successfully. Below are the responses from the field:

Table 4.4: Increased Capacity of LGCs by SLGJA in the Prompt Payment of Workers' Salaries.

S/N	Responses	Frequency	Percentage (%)
1	Strongly agreed	134	33.5
2	Agreed	138	34.0
3	Undecided	44	11.0
4	Disagreed	60	15.5
5	Strongly disagreed	24	6.0
	Total	400	100

Source: Field Survey, 2021.

Table 4.4 shows the respondents' views on the effects of Joint Account on Local

Governments' capacity to promptly pay Local Government workers' salaries. Out



of the 400 respondents, 272 equivalents to 68% agreed with the fact that under Joint Account Local Governments were able to pay workers' salaries for the period under review. Only 21% disagreed with the above assertion and 11% undecided. Despite inadequate disbursement of

financial resources to LGCs they were able to pay their workers' salaries. The study further sought for respondents' view on whether to retain or to scrap the Joint Account and the responses are as follows:

Table 4.5: Respondents' Views on Retaining /Scrapping the SLGJA.

Response	Local People	L.G. Unions	L.G. Workers	Total	Percentage
Scrapping	182	54	78	314	78.5
Retaining	8	38	40	86	21.5
Total	190	92	118	400	100

Source: Field Survey, 2021.

Table 4.5: shows respondents' views to scrap or retain the State/Local Government Joint Account. Based on the table, 314 respondents, equivalents to 78.5% out of

the 400 respondents called for the scrap of Joint Account whereas 86 respondents representing 21.5% called for the retention of the system.

Table 4.6: State/Local Government Joint Account and Financial Crises of LGCs

S/N	Responses	Frequency	Percentage
1.	Strongly agreed	168	42
2.	Agreed	156	39
3.	Undecided	24	6
4.	Disagreed	28	7
5	Strongly disagreed	24	6
	Total	400	100%

Source: Field Survey, 2021.

Table 4.6: shows the respondents' views that local governments are in crises because of the Joint Account. The table revealed that, local governments in Bauchi state are in financial crisis and as a result the local government chairman cannot meet the yearnings and aspirations of their people due to insufficient financial resources. The table also revealed that the state legislature and the executives failed to provide an atmosphere conducive

for local governments to carry out its functions mandated to it by the constitutions. The researcher found out the level of local governments performance in their efforts to execute capital projects, pay salaries of workers and ensure community development under this financial tie. The responses can be seen below:

Table 4.7: Performance Increment of Local Government Councils by SLGJA in the Execution of Capital Projects, payment of salaries and giving assistance to associations in community development

S/N	Responses	Frequency	Percentage
1	Strongly agreed	36	9
2	Agreed	18	4.5
3	Undecided	18	4.5
4	Disagreed	168	42
5	Strongly disagreed	160	40
	Total	400	100%

Source: Field Survey, 2021.

Table 4.7 shows the respondents' views on whether the State/Local Government Joint Account has increased performances of local government councils. The table revealed that there is low performance of local government councils because the responses indicated that over eighty percent (82%) showed their disagreement, 4.5% undecided and only 13.5% agreed on the above assertion. The result shows that local government councils were not able to execute more capital projects

and give more assistance to associations in community development throughout the period under review. The respondents are members of clubs and societies in their respective localities and as a result they are in the right position to know the assistance rendered to their clubs by L.G.A. The performance of local government councils under Joint Account is drastically low and discouraging.

4.1.1. Test of Hypothesis

Table 4.5: H0₁: There are no significant differences among the attitudes of the three respondents to the Joint Account.

Response	L.G. Workers	L.G. Unions	Local People	Total
Scrapping	78	54	182	314
Retaining	40	38	8	86
Total	118	92	190	400

Source: Field Survey, 2021.

Solution:

$$X^2 = \sum \frac{(O - E)^2}{E}$$

Where; X²= Chi-square, Σ = Sum of, O = Observed frequency, E = Expected frequency.

$$E = \frac{Ct \times Rt}{Gt}$$

Where, Ct= Colum Total, Rt= Row Total, Gt= Grand Total

$$EA = \frac{118 \times 314}{400} = 92.63$$

$$EB = \frac{118 \times 86}{400} = 25.37$$

$$EC = \frac{92 \times 314}{400} = 72.22$$

$$ED = \frac{92 \times 86}{400} = 19.78$$

$$EE = \frac{190 \times 314}{400} = 149.14$$

$$EF = \frac{190 \times 86}{400} = 40.85$$

O	E	(O-E)	(O-E) ²	(O-E) ² – E
78	92.63	14.63	214.0369	2.31
40	25.37	24.63	214.0369	2.31
54	72.22	18.22	313.9684	4.6
38	19.78	18.22	313.9684	16.8
182	149.14	32.86	1079.7796	7.24
8	40.84	32.83	1078.4656	26.40
				X²=59.66

Source: Field Survey, 2021.

The Degree of Freedom (df) = (c-1) (r-1) = (3-1) (2-1) = 2 × 1 = 2

Decision: X² at 2 df at 0.05 level of significance is = 5.991. So, we reject the H₀₁ because the obtained X² (59.66) is greater than the critical value of 5.991. There were significant differences among the attitudes of the three respondents to the Joint Account. The result shows that those opposing SLGJA are greater than those proposing which is an indication that many people in these six Local Governments see SLGJA as having little or no positive impact on the Performance of Local Government.

4.1.2. Test of Hypothesis

H₀₂: *There is no significant correlation between the Joint Account and Performances of Local Government councils.*

Since our analyses above showed a significant X² (59.66) indicating that there were significant differences among the attitude of the three respondents to the Joint Account. This means there is a significant relationship between Joint Account and Performance. We then go on to measure the strength of this correlation by means of the contingency coefficient as follows:

$$C = \sqrt{\frac{X^2}{n + X^2}}$$

Where;

C = the contingency coefficient;

N = the total number of frequencies or respondents.

X² = the chi-square

Solution:

$$C = \sqrt{\frac{59.66}{400 + 59.66}}$$

$$C = \sqrt{\frac{59.66}{232.88}}$$

$$C = 0.13$$

Decision: Since the calculated value is less than one it shows moderate relations between Joint Account and performances of Local Governments. The result shows that effective management of Joint Account may lead to good performance of Local Governments and ineffective management of Joint Account may lead to poor performances of Local Governments in the state respectively.

4.3. Discussion of Major Findings

Going by the primary data above, the performance of the six local governments under review is also abysmally low as evidence by table 4.3, 4.4 and 4.7 in which more than seventy percent of the respondents were not in support of the fact that Joint Account has increased performance of local government in executing capital projects and above all assisting associations in community development. This is so because the State/Local Government Joint Account Committee has failed to disburse sufficient financial resources to the local governments in the state instead, it diverted a significant portion of the funds for other state's projects

which was and is not meant for that. Thus, the input (financial resources allocated to LG by the JAAC) was insufficient to produce the desired outputs. Table 4.2 and 4.6 also supported the above assertion since more than seventy percent agreed that local governments in the state are in financial crises why because there were no enough funds at their disposal. These tables revealed that State/Local Government Joint Account has negatively affects the performances of local governments in Bauchi State. Consequently, table 4.5 called for the scrap of the Joint Account since it failed to provide a fruitful result.

4.2 Summary of Findings

The study has made the following significant findings;

Local Governments performance in terms of payment of workers' salaries was highly appreciated as evidenced by table 4.5. The table revealed that more than sixty-five (65%) per cent agreed with the fact that SLGJA has increased the capacity of Local Government in the payment of workers' salaries.

The state government interferes with the Local Government councils' fund through State/Local Government Joint Account Allocation Committee since LGCs didn't received all their allocations, the balance remained with the state government.

The performance of capital expenditure of the Local Government Councils throughout the period of study is abysmally low, poor and quite discouraging. This owe so much to the fact that non-of the Bauchi state local governments was able to access and spent at least 50% of its allocations in the provision of social services to the people as shown by table 4.2 above.

Inadequate financial resources have been disbursed to Local Government Councils in Bauchi state by the Joint Account Committee and the rest of the money has been diverted to other state's project which was not meant for that. The above affirmation was proved by table 4.2 and 4.3 above.

Many people in the state regarded Joint Account particularly tits committee as stumbling block for grass-root development as a result they called for the scrap of the system. In other word, Joint Account has put Local Government Council in to crises and so there is need to scrap it.

5. Conclusion and Recommendations

5.1 Conclusion

Based on the above findings, the study concluded that Local Government Councils were able to pay the salaries of their workers despite inadequate fund disbursed to them by the State/Local Government Joint Account Committee of the state. As far as this study is concern, this is the only area where local government councils performed credibly.

The study also concluded that, the grass-root people of Bauchi state have lost hope in the Local Governments as far as Joint Account is in operation in the country. This is so because with Joint Account the performance of Local Government Councils is low and thus, local people were not provided with essential services that will raise their living standard. The Local Government Councils in Bauchi state were not able to harness the councils' financial resources in providing the basic needs of rural dwellers.

Lastly, the execution of capital projects in the rural communities by the Local Government Councils has suffered a lot in the state. Despite the huge revenues allocated to the Local Government Councils that worth billions of naira, there is nothing to show on ground as capital projects which have been executed by the Local Governments in the state. It is pertinent to say that, State/Local Government Joint Account has not impacted positively on the lives of people in Bauchi state.

5.2. Recommendations

The following recommendations were made:



State/Local Government Joint Account Allocation Committee should be scrapped by the current national and state assemblies to ensure sovereignty and financial autonomy of Local Governments in Bauchi state and Nigeria at large.

Capital project execution should be in the priority list of government whether federal, state or Local Government and should attract a greater percentage of its total revenues. By doing this the indigenes of the state will benefit from the dividends of democracy.

More capital project should be executed especially in the rural communities because community development is a barometer for measuring national development.

Joint Account is not in the interest of the majority of the people of Bauchi as seen by their responses. This necessitated the need to amend the constitution particularly section 162 of the constitution by the legislatures. In addition, well trained politicians and people with vast-experience and fear of God should be elected into various offices by the electorate to form government so that the real interest of people would be represented in government.

More sources of revenue should be created and generated internally by local government councils so that they became self-sufficient and self-reliant and able to finance themselves even without statutory allocations from the federation account.

A permanent and strong anti-corruption commission should be put in place to monitor and ensure the efficient and effective utilization of the local government funds in the country.

Lastly, the study strongly recommended the establishment of Local Governments' Performance Rating Institutions at the federal level which would be responsible for measuring the performance of Local Governments across the country. In addition, award should be given to the best Mayor in all local governments of the 36 states annually as a means to ensuring good performance at the grass-root governments.

Sanction to the ineffective and inefficient chairman by the said organisation will go a long way in stimulating him to put more effort in the future.

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