

STATE -LOCAL GOVERNMENT ACCOUNT AND NIGERIA CONSTITUTION: A COMPREHENSIVE ANALYSIS

Ashiedu Daniel Udoka¹, Dr. Pillah Patrick Tyozyder^{2*}

¹⁻² Department of Public Administration, Faculty Of Management Sciences, Veritas University, Abuja

Corresponding Author Dr. Pillah Patrick Tyozyder

Department of Public Administration,
 Faculty Of Management Sciences,
 Veritas University, Abuja

Email: pillahp@veritas.edu.ng

08036275160.

Article History

Received: 21/05/2025

Accepted: 06/06/2025

Published: 10/06/2025

Abstract: The specific objective of this study is to investigate and ensure the frequent flow and ensure financial effective policies, as prescribe and to profound possible way forwards for solving the problems as it saddled in local government. through a scientific research methodology, the research adopts both qualitative and quantitative data, primary and secondary data were collected, interview was also conducted and all response received from respondents were well documented for this research purpose. The paper also examines the state-local joint account system's conceptual framework, historical background, and real-world applications. Key issues that hinder local governments' capacity to carry out their mandates are discovered and identified by the research, including unlawful deductions, delays in allocation release, and budget diversion. Despite its primary goals of preventing financial corruption, embezzlement, and mismanagement of public funds, the state joint account system has fallen short of these goals and is now being used by state governments as a means of extracting local government allocations from the federation account. In order to encourage openness, accountability, and effectiveness in local government management, this study concludes by recommending improved oversight procedures, legislative changes, and training and capacity building programs. Based on the analysis, the study suggests and mandates that the state-joint account arrangement be abolished and that local governments be given direct access to federation account revenues.

Keywords: Local Government, state-local government Joint Account, Nigeria constitution, analysis.

How to Cite in APA format: Udoka, A. D., Pillah, T. P., (2025). STATE -LOCAL GOVERNMENT ACCOUNT AND NIGERIA CONSTITUTION: A COMPREHENSIVE ANALYSIS. *IRASS Journal of Economics and Business Management*. 2(6),21-34.

Introduction

Nigeria's federal structure, as enshrined in the 1999 Constitution (as amended), recognizes three distinct levels of government: federal, state, and local. The local government, designated as the third tier, is constitutionally mandated to facilitate community-level democratic governance, basic service delivery, and grassroots development. However, inspite of it constitutional recognition and provisions, the local government system in Nigeria has historically been constrained by weak institutional financial autonomy, particularly in the area of financial independence. One of the most contentious mechanisms affecting the autonomy of local governments has been the State-Local Government Joint Account (SLGJA), created under Section 162(6) of the 1999 Constitution. Although originally intended to promote fiscal coordination and enhance cooperative governance between state and local tiers, the SLGJA has been widely criticised for enabling pervasive state-level control over local government finances. The constitutional provision mandates that funds from the Federation Account designated for local governments to be funnelled through a joint account administered by state governments before disbursement to individual local councils (Eze, 2023). In practice, this structure has facilitated a pattern of financial manipulation, fund diversion, and political interference, severely undermining the fiscal autonomy, administrative functionality, and service delivery capacity of local governments across the country (Ogunyemi,2022).

In the view and argument of Nwaka (2006:20) submitted that "The provision of 20% for local governments from the federation account in the revenue allocation formula of the federations account remains a tragic reminder of the lack of

political will to appropriately address the problem of Local representations and effective delivery of services. As the government that has the most direct and immediate impact on the people, it stands to reason that adequate funding should ordinarily be guaranteed for this tier of Government".

Nigeria embraced the Federal System of Government in 1954, which effectively established an intergovernmental public arrangement whereby the three tiers of government shared responsibilities for service delivery. Lower-level government was given responsibility for basic government services such elementary education, rural roads, health care, sanitary activities, and agricultural support and irrigation, among others. This allowed the people to participate in society. The degree to which local government is granted authority, functions, and financial resources in relation to the extent and gravity of their duties determines their ability to provide sustainable public services. Decentralization of authority for public services is the term used to describe this. Deconcentration and devolution of services at the local level of government are steps in the decentralization of authority process.

"Many Local governments are rural based and naturally has limited capacity for internally generated revenue. We expect that Local Government should actually be the engine of growth for Local economics regrettably by the hegemonic central of the revenue from the federation account by the state government and federal government is not indicate of a genuine desire to strengthen the Local Government to meet the high expectation of the mass of our people". Amah, (2023). The aforementioned argument in favor of sufficient funding for local government is a step in the right direction toward strengthening the local councils' inadequate

financial foundation, which denies them a crucial financial position. However, this has an impact on the councils' growth and success. Thus, this paper's main goal is to analyze the political ramifications of Nigeria's state-local government joint account system critically and offer workable answers to the problems it presents.

Scope of Study

All local government area councils in the Nigerian federation are subject to the 1999 constitution's provisions regarding the state-joint local government account system's financial allocation prescription. The councils of each rural area in Nigeria's Federating Units have been selected as the study's focus. The purpose of this is to compare how urban and rural area councils generate, distribute, and provide services. Increases in Nigerian local government funding to improve local government services served as the rationale for the 1999 period. How much has service delivery in each local government area council within the federating unit been impacted by the funding sources? The study specifically looks at the external revenue source. Primary Health Care (PHC), piped water, education, energy supply, and environmental sanitation services of local council areas are just a few of the services that are directly provided by the federal government to the local government. Physically, the rate and degree of positive change in local government is higher than that of other area councils in the African states, thus the researcher chose to apply the 1999 constitutional provisions of the state-joint local government account systems for this study. Moreover, limitation of the study was having access to secondary data in area council, interview with the chairmen of some selected Area Councils and financial constraint to carry out the study.

Objectives of the Study

The main objectives of this study, is to:

- To identify clearly how to provides for the allocation of funds from the federation account to local government areas.
- How to provides for this payment to be determined by individual states.
- To determine possible ways therefore for states to re-interpret the criteria for allocation within a state.

Operational Definition/clarification of Terms

Local Government:

Local government is a generic term for the lowest tiers of governance or public administration within a particular sovereign state. Local government, also known as municipal government or local authority, refers to the lowest tier of government within a state or nation. It is responsible for managing local affairs, including providing services like public works, utilities, and local services, and collecting local taxes.

Local government is a political subdivision of a nation with substantial control over local affairs, including the power to impose taxes. Local government structures vary, but typically involve elected officials (like mayors, council members, or chairpersons) who are responsible for leading and administering the local area.

Joint Account:

Joint account is a special account which bears the names of more than one customer. There are a number of legal incidences or consequences that may arise from. Also, joint account is a financial account owned and operated by two or more individuals. It allows multiple people to share access to and control over the funds in the account. Common uses include shared finances by couples or roommates, or for business partnerships.

State-local Joint Account:

The State Joint Local Government Account (SJLGA) is a special account maintained by each state government in Nigeria to pool and distribute funds allocated to local government councils. These funds come from the Federation Account and the state government's own revenue. The account is managed by the state, with the funds then being allocated to the local governments within the state.

Local Government Financial Autonomy:

In Nigeria, local government financial autonomy, the ability for local councils to manage their finances without undue state interference, is a complex issue with ongoing debate and legal challenges. While the Supreme Court has affirmed the right to financial autonomy of local governments, challenges persist, particularly in the implementation of this principle.

Constitution:

A constitution is a foundational legal document that defines the powers and duties of a government and guarantees rights to its citizens. It outlines the basic principles, structure, and operation of the government, ensuring a framework for how a state or organization is governed.

Fundamental Principles:

A constitution establishes the underlying principles upon which a state or organization is built, often including notions of democracy, separation of powers, and human rights.

Government Structure:

It defines the structure and operation of the government, including the separation of powers between different branches (legislative, executive, and judiciary).

Citizen Rights:

Constitutions often guarantee fundamental rights to citizens, such as freedom of speech, religion, and assembly, as well as protections from discrimination and other abuses.

Limits on Government Power:

Some constitutions, especially codified ones, act as limitations on government power, establishing lines that rulers cannot cross, such as those related to fundamental rights.

Binding Authority:

Constitutional rules are binding on everyone, including the government and ordinary lawmaking bodies.

Review of Related Literatures

Conceptual Clarification Local Government:

Let us look at the definition and concept clarification of local government from different perspectives of scholars, authors and bodies or documents.

According to Ibrahim (2011:15), local government is the division of governmental duties into smaller administrative units for legal purposes. The elected representative, who is in charge and works under the direction of the national government, is responsible for allowing the lower branches of government to participate directly.

The representative and accountable aspect of local governance is its most important quality. It indicates that elected or otherwise chosen representatives, who answer to the local community, are in charge of carrying out the administrative duties of the local government. On matters pertaining to rural regions, such as local government administration, the federal and state governments are not closely aligned. This led to the creation of local government in order to support councils financially, materially, or through self-help projects, as well as to help mobilize the populace. The constitution recognizes the local government as the third level of government in federal states like the United States and Nigeria. Local government is an extension of the national administration in unitary states like China, France, and England.

The most well-known and ubiquitous type of democratic decentralization, according to Muhammad (2012:21), is local government, which is empowered by the constitution to operate inside the nation and has its own personnel, resources, and authority. being subject to certain methods of control by the state government to establish local government, as well as having defined areas of operation.

He asserts that local government existence in Nigeria has been guaranteed by the constitution, although subject to state government control with regards to financial aspect of local government and about 60% to 80% of the total revenue of most local government is derived from external sources. If any local government cannot generate as much as 10% of its funds from internally generated revenue, then it will be doubtful if such local government can lay claims to independent existence.

Odoh (2014:8) within the context of Nigeria, the 1976 local government reform defined Local Government as:

Representative councils created by legislation to exercise particular responsibilities within designated areas serve as the local government. Through the devolution of these functions to these councils and the active participation of the people and their traditional institutions, it should be possible to maximize local initiative and response to local needs and conditions. These powers should also give the council significant control over local affairs, the staff, and the finances to initiate and direct the provision of services, as well as to determine and implement projects that complement the activities of the State and federal governments in their areas.

A subordinate system of government, legal or constitutional powers, control over local affairs, the ability to take action, mobilize financial and material resources, a representative council, the creation of laws and policies, and their implementation are all characteristics of the 1976 local government reform, which is defined as a type of decentralization. Additionally, the majority of local governments, whether under federal or unitary systems, have many of the same traits. The primary distinction is the degree of

autonomy or control that is either mandated or permitted in the operation of the system (local government).

The above views (Ibrahim 2011, Muhammed 2012 and Odoh 2014) shared light on the concept of government and its characteristics in Unitary and Federal Systems of government. However, local government is a unit of government at lower level of government, established by law to maximize local needs, through a representative council; its governing bodies are elected or selected. Hence, the establishment of Local government by 1976 reform will be meaningless, if local government does not have autonomy to discharge the constitutional power and functional responsibility to the community. The view of Muhammed (2012:21) lays emphasis on the relationship between local government and state government, their relationship is like master and servant relationship.

Maddick (1963) defines local government as 'a sub-unit of government controlled by a local council which is authorized by the central government to pass ordinances having a local application, levy taxes or exact labor on the limits specified by the central government'.

The United Nations Article of Declaration (1948) defines local government as 'a political sub-division of a nation (or in a federal system, or state) which is constituted by law and has substantial control of local affairs, including the power to impose taxes or to exert labour for prescribed purposes. The governing body of such an entity is elected or otherwise locally selected'.

Therefore, local government replaces the second-tier level of government in unitary and non-federal governments, while it is the third-tier level in federal systems.

Since local government is closest to and typically the most well-known level of government in the rural areas where the majority of citizens reside, it is also known as grassroots government. This is especially true in developing nations where approximately 70% of the population lives in rural areas.

The recognition that local government is a local government created by law to carry out particular tasks within designated boundaries or jurisdiction is quite evident from these readings. According to the political arrangements in place, local government is a lower tier of government, as the definitions also make clear.

State-local Government Joint Account

The Nigeria State-Local Government Joint Account (SLGJA): is constitutionally mandated by the federal government fiscal mechanism, codified in Section 162(6) of the 1999 Constitution of the Federal Republic of Nigeria (as amended), whereby funds are constitutional instructed to be allocated to local governments from the Federation Account are paid into a joint account maintained by state governments. Though the system is designed to promote fiscal coordination, in practice, the SLGJA has facilitated the encroachment of state governments into the financial affairs of local governments. Scholars and governance administrative practitioners argue that this system has led to widespread fund diversion, reduced fiscal transparency, and undermined local development planning (Domitilla et al, 2025).

Conceptual Framework

State Joint Account System and Operational Mechanism in Nigeria Local Government System

The fiscal federalism principle, which aims to strike a balance between the necessity of central supervision and coordination and the authority of subnational governments, governs the state-joint local government account system (TerMinassian, 2020). The Local Government (Administration) Act of 1976, which gave state governors the authority to supervise the management of local government money through joint accounts set up in approved banks, institutionalized the system in Nigeria (Banko, 2020).

Each level of government's income profile is described in the 1999 constitution; the federal government is in charge of the nation's main revenue-generating sectors, which include value-added tax, import, export, and excise tariffs, royalties, and minerals. State governments are tasked with collecting significant amounts of revenue from sources including sales taxes and personal income taxes (PAYE). Community taxes, rents, and licenses for things like bicycles, wheelbarrows, radios, and televisions make up the local government's revenue streams. Only a small and insignificant amount of money is generated by the local government's revenue sources. According to the overview of the revenue structure of local governments, their survival is mostly dependent on statutory allocation because their internal revenue sources are negligible (Angahar 2013:112).

Additionally, local governments are left at the mercy of the state government because these statutory amounts are paid to state local government joint accounts rather than directly to local governments. In actuality, the majority of states are hesitant to release funding because of local government councils; they come up with a variety of reasons why they shouldn't. Furthermore, the lower tier of government's revenue rights and obligations clearly do not align, which has significantly hampered local governments' capacity to provide services at the local level.

In the views of Usman and Erunke (2012:319) the issue of inadequate funds in financing local government services, has remained endemic with all local government councils in the country. Since the 1979 constitution delineated a three tiered federal structure in which each tier, particularly the federal and states governments have considerable jurisdiction to raise funds. Since the Fourth Republic was ushered in by the 1999 constitution, there has been a great deal of debate on the relationship between state and local governments. In addition to establishing new local government regions, the state governors used their authority under section 7 (1) of the 1979 constitution to dissolve, elect, and replace local government councils with caretaker committees or single administrators. Few states complied with the 1999 constitution's requirement that the state government give local government councils 10% of the funding. Furthermore, the state government frequently emasculates local government services in order to transfer statutory contributions from the federal account to local government councils, which are deposited into the State-Joint Local Government Account (SJLGA).

Given the legislation defining its composition and the degree of autonomy that the federal and state governments grant local government as the third tier of government, Nigeria's local government system presents challenges. Although the fund does not flow through the governors' office, the state governor has authority over the federation's allotments to local governments. It

is anticipated that the council chairmen will obligingly approve a portion of their allotment to the state governor. The State House of Assembly is a formidable opponent for any chairman who disregards this device. A case between Donald Duke, the former governor of the state, and Diamen Okon, the former chairman of the Akpabuyo local government area in Cross River State, is. The State House of Assembly cleverly removed Diamen Okon from office for defying the state governor's directive about local government funding from the federal account; there are numerous other cases throughout (Felix and Okonette 2013:196). For the following reasons, local governments rarely receive the entire statutory allotment from the state-joint local government account for funding their services. First of all, the support that local governments provide to the ruling party in the election that put them in power determines what they receive. Second, local governments run by the party that is in power receive a lower payout than those run by the party that is in power. Thirdly, local governments that have a state governor who is thought to be disloyal to the president, regardless of their party affiliation, also receive less federal intervention grants. Under Governor Ameachi, who is currently at odds with President Goodluck Jonathan, local governments in River State are in a permanent state of disarray (Felix and Okonette 2013:197).

According to Otinche (2014:122) federalism in Nigeria creates dependable fiscal relations between the federal, state and local government. The federal government control high yielding revenue heads and allocate the average and low yielding revenue heads to the state and local government respectively. Taxes and rates, licenses and fees, money from business endeavors, and other sources are some of the low-yield sources of funding for municipal governments. In the current period, local government councils in Nigeria cannot make a living from various revenue streams, such as bicycle and radio licenses, given the extent of their duties. In Nigeria, it is true that local government authorities have the legal authority to impose and collect specific taxes, levies, and other charges within their jurisdiction. This authority is used, among other things, to give the authorities the money they need to operate effectively and efficiently. In most cases, local government authorities engage the services of tax contractors who impose and subsequently collect these taxes and levies through their employed agents for and on behalf of the local government. The personnel sometimes mount road blocks or cause road blocks to be mounted for the purposes of collecting taxes and levies in gross contravention of the extant laws. Many Nigerians, and indeed other foreigners resident in Nigeria, have been victimized by these agents, who sometimes act thuggishly and resort to violent measures in collecting taxes/ levies from unsuspecting citizens (Otinche 2014:124).

State-joint Account System in Nigeria and the Level of Funding Local Government in Enhancing Quality Service Delivery

According to Nigeria's parliamentary act, the Federal, State, and Local Government Councils in each state are to divide the Federation Account's revenue based on the amount of financing. The National Assembly will consider the allocation principles, particularly those of population, equality of states, internal revenue generation, land mass, geography, and population density, when deciding how much money should be allocated to the three levels of government. The State Joint Local Government Accounts (SJLGA) will receive the part of each state's overall revenue that

goes toward supporting local government service delivery. The Constitution of Federal Republic of Nigeria (1999) Section 162 (3), 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 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 Councils in each State on such terms and in such manner as may be prescribed by the Act of Parliament. According to the Allocation of Revenue (Federation Account) Act 2002, the sharing formula among the tiers of government stood at: the Federal government has 56 per cent of the revenue allocation share, the State Governments 24 per cent and the Local Government Councils 20 per cent. Subject to Section 162 (5) of the Constitution, the amount standing to the credit of local government councils in the Federation Account shall be allocated among the states of the Federation for the benefit of their local government councils. In such manner as may be prescribed by the State House of Assembly.

Each State shall pay to local government councils in its area of jurisdiction such proportion of its total revenue (10 per cent) to the State Joint Local Government Account (Grant). The objective of the constitutional provision of both statutory allocation from the Federation Account and Grant from State Government, are meant to boost the level of funding local government services. In the context of this study, Federal Capital Territory Administration in Nigeria, been area of study for this research, an amount equivalent to one (1) per cent of the Federation Account less thirteen (13) per cent derivative fund, shall be allocated to the Federal Capital Territory (FCT), to be distributed among the six area councils. The funds allocated to these area councils are guided by the Federal Capital Territory Area Councils Act (2011). Section 29 (1) of the Act, makes provision for consolidated revenue fund "All revenue or other money raised or received by an Area Council (not being revenues or other moneys payable under this Act or any Bye-law of a legislative councils into any other public fund of the Area Council established for a specific purpose) shall be paid and form consolidated revenue fund of the Area Councils" (p.10). Section 53 of the same Area Councils Act, established public services on which the accruing funds will be distributed among Area Council, in provision of public services like; primary health centres, rural roads, street light, public convenience, water supply, drainage system and ensuring healthy environment through effective sanitation etc.

According to Carlson et al., (2008:26) local government institution cannot be expected to provide equal access and fair service delivery, if they are not adequately funded. But what constitute adequate funding? Basically, adequacy is based on perceptions, often near-term and rarely quantitative in nature. Funding of local government services is perceived to be adequate if the local government were successful with their budget requests, received funding for new programs or technological development of the councils. In cases where there is no budget increases or the increases were insufficient to even keep up with normal, expected increase in expenditures, funding is perceived to be inadequate either from statutory allocation as external sources or internally generated sources of finance.

However, there are other structural factors contributing to inadequate funding of local government finances e.g. when there is

restrictions on revenue streams passed by the legislative bodies or economic downturn; this could reduce available revenue at a particular level of government affecting the predictability and stability of funding sources. Lamidi and Fagbohun (2013:93) issue of revenue allocation remains very unstable and constitute a major source of political and governmental tension in Nigeria. It has been a chronic problem facing fiscal federalism in Nigeria.

Liyasu (2011:95) asserts that revenue distribution seems to be more political than technical. This is due to the fact that even if the characteristics and principles required to determine the formula are gathered, political factors may interact to affect the final result. Therefore, it might be claimed that political jingoists at the state and federal levels have supplanted the numerous ideas that guide the income distribution formula. At the local government level, this always results in inefficiency and inadequate financing. Among other issues facing local government, the unbalanced and uneven revenue allocation system has an impact on grassroots development, resulting in poor service delivery and inefficient decision-making.

Adeyemo (2009:254) posited that local government chairmen clamour for increase in their shares of revenue from the federation accounts. The inadequate and unstable funding of local government services is the justification of the lopsidedness and inefficiency that have characterized the national revenue mobilization policy, allocation and administration. Except the revenue allocation is revisited and corrected; the level of funding and performance of local government services in Nigeria will be in jeopardy. More so, local government revenue structure relies heavily on statutory allocations from the federation account.

In view of Ejikeme (2012:69) the demand and expectation from local government councils over the years have been on the increase while the finance required to deliver the functions of good administration at the grassroots continue to dwindle. The decline in revenue has been caused by misappropriation, poor management, and inadequate funding. Long-term budgetary constraints prevent local governments from providing significant services to the community. Stable and predictable revenue levels are necessary for local government to provide equitable services in an efficient and consistent manner throughout time.

The statutory allocation from the federation account, which is the primary source of funding for local government, is allegedly insufficient and delayed by the administration of the local government to allow them to fulfill their responsibilities, according to Ocheni et al. (2013:24). However, certain of the Constitution's clauses limit the amount of money that local government bodies can use. The Federal Republic of Nigeria's 1999 Constitution (as amended) states in Section 7 (1) that:

This Constitution guarantees a system of local government by democratically elected local government councils. Accordingly, the government of each state must, subject to section 8 of this Constitution, guarantee the existence of these councils through a law that outlines their formation, composition, structure, funding, and duties (p. 24).

According to the aforementioned clause, Nigerian local government council autonomy is dependent on the federal and state governments. State legislators and governors are frequently known to serve as intermediaries at the cost of rural residents by acting as center referees. Federal funding is necessary for local government,

and state governors must approve the distribution of monies to State Joint Local Government Accounts (SJLGAs). Before monies are made accessible to the local government account, a bureaucratic process and a delay are required.

According to Ekwubi (2010:17), the effectiveness of services is dependent on how well local government councils are able to use the funds and how adequately they are funded. Okoli's point of view (2002:48) One of the most important aspects of local government management is income management. The revenue allocation system needs to be modified in Nigeria for local government to operate efficiently. The local government should receive a significant portion of the revenue allocation in order to support grassroots development. Consequently, the percentage of the statutory allocation ought to be adjusted from 20% to roughly 30%. This is due to the fact that over 70% of Nigerians live in rural areas.

From the literature reviewed, (Okoli 2002, Ekwubi 2010 and Okechukwu et al., 2013) it is agreed that the level of funding for local government services is inadequate, due to mismanagement and misappropriation of funds. The financial resources of local government are dwindling from time to time, compared with the demands and population increment. In order to reduce the menace of mismanagement and misappropriation of funds, many financial regulatory framework are put in place to safe guide the finances and management of local government resources. These include: Independent Corrupt Practices and other related offences Commission (ICPC) Act of 2000, Economic and Financial Crime Commission (Establishment) Act, 2002, Public Procurement Act 2007, State laws for local government etc. However, the relevance of local government councils is measured by the quality and quantity of services rendered to the rural/urban dwellers. For meaningful service delivery like provision of basic amenities, construction and maintenance of roads, maternity homes etc. Adequate funds and efficient management of the resources should be ensured by local government administrative structure, in compliance with financial regulatory framework mentioned above. In addition, good accounting system is required; availability of reliable data for planning and disbursement of funds, internal control system of the councils to ensure prudence of the financial resources.

To Odoh (2014:8) the weakness in local government level of funding is dated back to Nigeria's Second Republic. Local government under the Second Republic was a subordinate creation of the state government, having been given the powers to establish, determine its structure, composition, finances and functions. This is done through the instrumentality of the Governor that appoints Caretaker or Management Committee to manage the affairs of local government. This process makes it easy for state governments to manipulate local government affairs; reducing local governments Autonomy both administratively and financially, which then affects their ability to deliver public services. Consequently, the form of deconcentration between the state and local government has kept local government in perpetual dependence on the whims and caprices of the state administration. Studies have pointed out the weakness in local government finances include: little attention paid to internal source of revenue, withholding local government funds and diverting grants meant for local governments by state governments. On the part of state government, failure to honour grants allocation to local

government State Joint Local Government Account (SJLGAs). This in turn diminished the funding for management purposes.

General Overview on State Local Government Joint-account In System Nigeria

The joint account system was reintroduced into the constitution of the Federal Republic of Nigeria in 1999. Section 162 (5) of the constitution provides inter-alia. "The amount standing to the credit of Local Government Council in the Federal Account shall also be allocated to the state for the benefit of their Local Government Councils on such terms and in such manner as may be prescribed by the National Assembly" Also, section 162(6) provides as follows. "Each state shall maintain a specific account to be called "State Joint Local Government 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". "The first major attempt of comprehensive looking at the finances of Nigeria Local Government took place in 1976, during the nation-wide Local Government reforms. The reform measures and the 1979 constitution identify reasonably adequate sources of revenue for the Local Government to Local Governments". In light of the aforementioned assertion, it was further asserted that the State Government should oversee the Local Government Account and cautioned that a legislative guarantee enshrined in the constitution would be necessary to guard against potential manipulations by the state governments. The origin of the joint account is shown in the above. It is evident that the local government reform of 1976 was According to Omoruyi's (1985:19) opinion, which was cited in Ladipo Adamolekun (Ed): 1985, "the then permanent secretary, Federal Ministry of Finance, Mr. Alison Ayida, was asked if it would be normal in a federal system for the Central Government to deal directly with the local authorities in revenue allocation in an effort to look for a better way of improving the finances to the Local councils." Since the main goal of the 1976 changes "was to make State Governments have statutory allocation relationship with their local governments," he stated that he did not believe the federal government should have a direct contact with local governments.

According to Oguona (2024:26), "the Federal Government has been periodically reviewing the revenue grant to this third tier of government due to the persistent problem of inadequate revenue to the Local Government System." As a result, during the oil upheavals of the 1970s, from 1973 to 1975, the Federal Government gave grants and loans to local governments. Then, starting in 1976, different amounts of loans were given to local governments by statute. However, during the second republic, based on the Okigbo's report, a revenue allocation act 10% of the Federation Account was guaranteed to Local Governments. This was later adjusted to 15% and 20%.

Nigeria's joint account system was introduced as a result of local government reforms. Its inclusion in the 1979 constitution may have been intended to help local councils' dire financial situation and safeguard council allocation against potential manipulation by state authorities. The Federal Government's 1976 technical committee on revenue allocation made explicit reference to the Joint Account issue for the first time.

Prof. Ojetunji Aboyade led the technical committee on income allocation. Dr. Omoruyi was tasked with investigating local government funding and connecting it to the allocation of political authority and functional duties in the three-tier system

during the technical committee's inaugural meeting. One question was whether the federal government should give grants to local governments directly, and the other was whether the state government should handle this process. The technical committee meeting was dominated by these two questions. But as the committee started their 1976 tour of the United States, they noticed two things.

- That the Local Government was not adequately provided with funds.
- That, many State Government were not providing fund for the Local Governments (Omoruyi (1985:196). The idea of a Joint Account System for Nigeria's Unified Local Government System, overseen by the State Government, was sparked by the local government's financial issues being articulated.

According to Omoruyi (1985), the main justification for the Joint Account System and its eventual incorporation into the 1979 constitution was to prevent any financial manipulation by the several State Governments of the Local Governments. It is important to remember that, notwithstanding the constitution's protection of local government allocation, state governments shamefully continued to manipulate it in a number of ways. This is sufficiently attested to by the unlawful deduction, detours, and postponement of the Council's allotment from the Joint Account System. Its removal in 1985 was made feasible by this deduction. In 1985, General Badamasi Babangida succeeded Buhari Tunde Idiagbon as leader, according to Agu (2007:82). He provided direct funding to local government. Instead of going via the State Joint Account, he made the distribution directly to the Chairman.

According to Nelson (2021) given credence to the above information said "The financial relationship between all the levels of Government finds expression under Section 160 of the 1989 Nigerian constitution. The constitution provides the share of Local Government be allocated directly to Local Governments whereas it has to pass through the state in the past. The Joint Account System was surely abrogated in 1989 due to its defectiveness. The various State Government over manipulated the Joint Account to the utter detriment of the Local Governments. The Joint Account finds its way again into the 1999 constitution. Agu (2007:83) observed "In 1999, Abdusalami Abubakar Came into power and drafted the 1999 constitution. The process of direct funding to local government was changed and it was incorporated into state joint account. The statutory allocation of 20% goes to the state joint account".

We have to agree with the fact that the formulators of the state joint local government account system have good intention for its establishment. However, this financial policy played into the hands of hawks such that the objective of the joint account became defeated as the supervision of the account by the state governments provided a vent for manipulation of the account through deduction, delay in the release of allocation to councils and diversion of funds into private use. This therefore leads us to the problems of the joint account system in Nigeria.

The Roles of Local Government State Joint Account System In Nigeria

In Nigeria, the local government system is enshrined in the Constitution of the Federal Republic of Nigeria, which recognizes local governments as autonomous entities with the authority to manage their affairs within the framework of the law (Banko,

2020). According to Section 7 of the Constitution, "The system of local government by democratically elected local government councils is under this Constitution guaranteed; and accordingly, the Government of every State shall, subject to section 8 of this Constitution, ensure their existence under a Law which provides for the establishment, structure, composition, finance and functions of such councils."

Roles of Local Government

The roles of local government are in some ways similar to those of the central government. The central government exists to provide for development services to the people and provide security for the citizenry and ensures participation of the citizens in government.

To some extent, local government performs such roles even though with some varying degree of intensity. For easier understanding, such roles could be classified into two viz: political and socio-economic roles.

The Roles of Local Government

Local governments are veritable and appropriate institutions for promoting democracy at the local level. They are well-placed to mobilise the people politically through political education, political enlightenment and political actions. Local government has become very useful tool for the conduct of election at all levels of government. With such, the process of political recruitment is institutionalised and the institution can then help to train people for higher responsibilities.

Another political role is that of maintenance of law and order. Local governments have the instrumentality of the police at their disposal and therefore work with its leadership at the local level to enforce law and order and maintain security. Moreover, certain committees such as the security committees and the police committees, facilitate such exercises. Furthermore, to enhance responsive governance, local governments serve as a two-way channel of communication between the government and the governed. Just as it transmits the decision of governments to the local people, it also conveys or channel their demands and feedbacks on policies to government (local or central).

Socio-Economic Role

The exercise of democracy and human rights can only be meaningful if demands and policies can be translated into physical development, including the provision of basic socio-economic services. Services of local government are primary or basic in nature as reflected in their functions. Some of these are basic health, basic education, agriculture and revenue raising and regulatory functions. People expect such services to be delivered to make any meaning of democracy and bureaucracy at the local government. Whether it is a municipal council or a rural council, the complexity may depend on the level of urbanisation or the availability of funds.

In providing socio-economic services, local governments have to work with community groups and the citizenry to harness community energies and input into development. A greater part of the developmental initiatives and effectiveness in local government is a function of community development or self-help groups.

These two roles of local governments will be revisited in another form when in a later unit; we take a look at the theories of

local government and the argument for each of these roles, highlighting the importance of each.

However, despite the constitutional provisions guaranteeing the autonomy of local governments, the practical implementation of the local government system in Nigeria has been marred by various challenges (Banko, 2020). The concept draws inspiration from the principles of subsidiarity and participatory democracy, aiming to empower citizens by providing them with a platform for direct engagement in decision-making processes at the local level (Slidders, 2019). These challenges range from political interference by state governments to inadequate funding and capacity constraints, which have limited the effectiveness of local governments in delivering essential services and promoting development at the grassroots level.

Aim and Objectives of Local Government

The aims and objectives of Local Government can be stated specifically thus Awa (2021);

- It is more democratic. This is so because it increased the scope for citizenship participation in the government of their locality.
- It provides valuable political education. It exposes the citizens to power and authority, power play, its uses, and challenges of power management.
- The local government provides a training ground for future political leaders.
- Local knowledge is brought to bear on Local Government.
- It is more sensitive and responsive to local opinion. The councilors and representatives are closer to the people and respond much easily to their demands or to be voted out.
- Power is more widely dispersed which is a safeguard against tyranny. The local government system protects against this.
- Local variation and needs in service provision can better be handled by local government since it understands the needs of its own locality (Awa, 2021).

In Nigeria, the State Joint Local Government Account (SJLG) is a constitutional creation that pools local government allocations from the Federation Account and state revenue. While the 1999 Constitution guarantees local government autonomy, in practice, the SJLG allows state governments significant control over local government finances, impacting their ability to function independently and deliver services effectively, according to a study published on ResearchGate.

Here's a more detailed look at the SJLG and its implications:

Constitutional Provisions:

Local Government Autonomy:

- Section 7 of the Nigerian Constitution guarantees democratically elected local councils and their autonomy.

SJLG Establishment:

- Section 162 (6) mandates each state to maintain a special account (the SJLG) to hold allocations to local governments from the Federation Account and state sources.

Allocation and Distribution:

- The SJLG is supposed to facilitate the allocation and distribution of funds to local governments within the state.

Practical Challenges and State Control:

Limited Financial Independence:

- Despite constitutional guarantees, local governments lack true financial independence due to the SJLG.

State Interference:

- State governments exert control over local government finances, often making illicit deductions and delays in releasing funds.

Political Interference:

- Political interference, including gubernatorial appointments of caretakers, further undermines local government autonomy and effectiveness.

Impact on Service Delivery:

- The absence of adequate funding and political interference hampers local governments' ability to deliver essential services and drive development at the grassroots level.

Calls for Reform:

Constitutional Amendments:

- Calls for constitutional amendments to grant full local government autonomy have been made, but have faced resistance from state-level political actors who benefit from the status quo.

Alternative Models:

- Some propose abolishing the SJLG and allowing local governments direct access to their allocations from the Federation Account.

Increased Transparency and Accountability:

- There's a growing need for greater transparency and accountability in the management of local government funds and the allocation of resources.

Consequences of the Current System:

Hindered Development:

- Lack of financial autonomy and political interference hinder local government effectiveness and development at the grassroots level.

Mismanagement and Corruption:

- The current system creates opportunities for mismanagement and corruption, further exacerbating the problems faced by local governments.

Reduced Service Delivery:

- Inadequate funding and political interference lead to a decline in the quality and availability of essential services at the local level.

The Problems of the Local Government Joint-state Account System

The Joint Account System is a financial policy meant to check the manipulation and misappropriation of council fund by Hawk i.e State Government and their corrupt minded Local Government Executives. The intention of the policy formulators was laudable but the implementation of the policy became parlous. The wrong implementation largely renders the Joint Account System problematic. The problems associated with the Joint Account System includes but not restricted to the following:

- Illegal deduction from Local Government statutory allocation.
- Delay in the release of Local Government statutory allocation.
- Diversion of Local Government Statutory allocation.

Deduction and Misappropriation of Local Government Allocation Bello Imam (1996:50) while commenting on the anomalous deduction and misappropriation of council funds by the state government opined that “there is the fact that because the federal government was statutorily obliged to pass the allocation for the local government units to the supervising state government for distribution to them, most of the states often misappropriated the allocation for their respective local government unit” Agu (2007:89) argued that... “Local Government is well funded, but unfortunately these resources do not get to them. The problem is the issue of indirect funding and this confirms the extent of exploitation by the state government” Bello Imam observed clearly that Local Government fund is often misappropriated by the supervising State government. Also, Agu submitted same unfortunate analysis as he rightly pointed out that Local government resources do not get to them because of exploitation by the state government. The exploitation and misappropriation of councils fund is made easier due to its lack of financial autonomy. Local government has no real control over her resources as a result of the lack of autonomy.

This is probably why Agu (2007:94) argued that “This practical denial of autonomy to Local Government Councils affected Local Government resources and therefore created problems in the Local Government system in Nigeria as much of the resources from the central authorities are siphoned by the state Governors”.

Deductions from the allocation of the Local Councils constitute major hindrance to performance. Georgewill (2021) state that, while capturing the feelings of council executives in Abia state said “Analyst, however, content that nothing seem to be working at the councils because they are either starved of funds or short changed by state governments through the Joint Allocation Committees. In Abia, while some council Chief Executive cry over illegal deductions from their allocation by the state government, others describe such an act as statutory”. In Edo State, Otabor (2009:11) informed us thus, “Edo state chapter of the Nigerian Union of Local Government Employees (NULGE) has backed the 18 council Chairmen’s decision to reject last months (May) allocation from the federation account to protest an alleged overdeduction by the state government”, The analysis of the above scholar’s submission shows that the Joint Account system is absolutely problematic due to its unhindered vulnerability to deductions by the state government. This explains why the local couzncils performance has not been encouraging in Nigeria.

Delay in the Release of Councils Allocation

The join account leads to delay in the state release of the statutory allocation of the Local Government by the State Government. This indicates further that the Joint Account is wrongly implemented by the supervising body. The delay in the release of fund, therefore, has adverse effect on the productivity of the local councils in Nigeria. Agu (2007:89) while reacting to this ugly trend maintained thus, the 1999 constitution provides for the state joint account into which state and local governments statutory allocations are to be paid. The state Joint account was established but it did not operate as it was supposed to; hence there is “delay” in the release of the statutory allocation by the state government We understood that most times, the statutory allocation is not released by the government” Bello Imam (1996:50) in a similar observation opined that “those that even managed to pay 10 percent of their internally generated revenue to their respective local governments units, most often, never paid as and when due”. Delays in allocating funds to local governments have an impact on planning, which in turn has an impact on performance. output of any company. Planning and execution are impacted by delays in the release of local government allocations since good planning cannot be done without funding.

Council Allocation Diversion Professor Abhayere (1997:90) aptly encapsulated the negative impact of the state government's diversion of local government's monthly statutory budget when he stated, " By neglecting to transfer the federal allocation that has been passed through them as permitted by section 149(5) of the Nigerian Constitution, the state government has made local governments' financial difficulties worse.”. According to section 149(60) of the same document, the state government has not only "diverted" monies from the local government but has also neglected to pay its fair portion to the local government. In a previous interview, Agu (2007:89) expressed the following opinions regarding funding and financial management in Enugu State Local Governments: “when interviewed about the other sources of revenue like value added tax, and crude oil, excess proceed, the principal officers of Nsukka, Enugu North, Enugu South and Udenu Local governments purported that these resources were hijacked by the state governments. They admit that they release a certain percentage but not the total figure. This therefore, make a negative impact on the performance of local government, hence they also find it difficult to pay personal emoluments to their worker”.

Theoretical Framework

This paper adopts and implored the various local government theories for study clarification.

Efficiency Services delivery School of thought:

The advocates of efficiency services believe that the idea of democracy advocated by Mills and Bricks do not apply to different political system in the same manner, especially in the face of modern realities.

The core idea of this philosophy is that serving the local population is the primary function of local government. The most prominent supporter is the French professor Langood (1953), who believed that majority rule, equity, and consistency are the norm and that democracy was the domain of the nation state as a whole. In contrast, local self-government was focused on local distinctions and segregation. The two are diametrically opposed, and their joint development in the 19th century was really a historical

coincidence. He continued by saying that viewing municipal government as a platform for democracy and political education was similarly incorrect. He believes that the local Only a few national leaders have been successfully produced by the government. Narrow sectional interests are more likely to be reinforced by local politics than by a respect for democracy. National politics and concerns are more likely to teach citizens about democracy.

In a similar spirit, Moulin makes the point that national objectives are more expansive in scope, but municipal government is quite constrained. Local expertise and experience are rarely valued in national concerns. Since local governments are the most effective means of delivering services that are fundamentally local, Sharpe (1970) made a compelling argument for them. According to him, the effectiveness of these services is so strong that, in the event that local government is abolished, another system will have to be established in its stead, demonstrating the institution's necessary nature. Such an option is incapable of implementing even a decentralized system of national governance. Therefore, carrying out local obligations assigned to them as efficiently as possible is the primary functional responsibility of local governments.

Democratic-Participatory School of Thought:

As stated by Gboyega (1987), this school of thought holds that the primary goal of local governments is to bring government closer to the people by encouraging democracy and involvement at the grassroots level. Local government was envisioned as the third level of government in the 1976 local government reforms. Addressing the fundamental requirements of the local populace, facilitating two-way communication between the local populace and higher levels of government (federal and state), and encouraging public engagement in governmental operations are the goals of the reform. This stance is based on attempts to defend the necessity or existence of local government by arguing that it is fundamental to democratic values like accountability, responsiveness, and control. According to the school of thought, local government is a free institution that educates people about politics for those who take part in local decision-making, which leads to national development.

Methodology

This study outlines the methodology adopted for the purpose of the study. Its further highlighted on research design, techniques of cluster and purposive sampling of the study population, sources of data (primary and secondary), administrative instrument of questionnaire, interview and observation. In other to give a comprehensive analysis of he state-joint local government account system as instituted by the provisions of the 1999 constitution of Nigeria.

Research Design

Because the area councils under investigation have a sizable population, the research design for this study is a sample survey. Because we want to sample the opinions of beneficiaries in all local Area Councils of the Federation, the study concentrated on the sampled population. Nonetheless, the purpose of the study is to evaluate how federal funds are distributed to local governments, their sources, and the councils' service delivery. In

achieving this, quantitative trends of the council's revenue source were assessed; questionnaire on health care and environmental sanitation were collected based on perceptions of the sample respondents and observation of the services by the researcher.

Population of the Study

The targeted populations of study are beneficiaries of service delivery in the rural resident of Nigeria area councils

Sample size and Sampling Technique

From population of the study, same size of local area councils is drawn using Robert and Morgan (1970) formula for determining maximum sample size for

population known; the formula is expressed as:

$$X^2 N P (1-P) s = \frac{d^2 (N-1) + X^2 P (1-P)}{2}$$

Where s = same size

X²= chi-square table value at .05 degree of freedom

N= population size

P= population proportion

d = degree of accuracy (expressed as a proportion)

Calculation of the sample size using the formula above;

The distribution of study population, percentage and proportion of questionnaire to each of the local government areas, communities in Nigeria.

Sampling Technique

Given the size of each locality or community and the scope of this study, the cluster sampling technique is appropriate for distributing a questionnaire to the recipients of environmental and health services in Nigerian local government area councils.

Sources of Data

Primary and secondary sources are essentially the two sources from which information is gathered.

Primary Data

The researcher gets the primary data directly from the subject of the study (local government Area Councils). Both qualitative and quantitative data are the main forms of information gathered from respondents. Targeted respondents who work for both local councils were interviewed orally by the researcher for the qualitative type. With the assistance of a research assistant, the researcher sent questionnaires to a sample of area council beneficiaries—that is, residents of particular area council communities—for the quantitative data type. Additionally, we gathered additional qualitative data using the observation method.

Secondary Data

The secondary data came from an official Area document. These data are evaluated quantitatively by the Council's budget officers and are retrieved over the internet. Additionally, the study made use of both published and unpublished master's theses.

Methods Administration of Instrument for data collection

The administration of the instrument are systematic and standard procedures for collection of data, it includes

questionnaire, interview and observation. Questionnaire: The questionnaire as an instrument for data collection is used to elicit response from the respondents because of the large number involved. The questionnaire was administered face-to-face to the respondents, comprising both open and closed questions Interview: An oral interview was conducted by the researcher with departmental heads of Account, Health and Environmental Sanitation in area councils. The interview conducted provide supplementary information on the responses that are not clear using the questionnaire and verifying of open ended questions. Observation: The observation of non-participant of service delivery in area council was employed due to time constraint. The objective is to comprehend the responses of questionnaire and interview collected.

Method of Data Analysis

Data gathered through questionnaires and narratives of qualitative data (interviews) were analyzed using the quantitative method in this study. This is done in order to make it easier to analyze the vast amounts of data from primary and secondary sources. Frequency tables and basic percentages are analyzed using descriptive statistics, which are followed by a brief discussion. The two hypothetical propositions are tested using chi-square, an inferential statistical tool.

Prospects of the State- Joint Local Government Account System in Nigeria

The people who created the joint account system as a local government financial policy undoubtedly had noble intentions. The purpose of the joint account structure was to prevent the state government from potentially manipulating the account's finances. The system would have helped in any way to mitigate the persistent corruption practices that are a part of the local government system and are appropriately maintained by the executives of the council. It was a well-thought-out scheme to check and instill terror in the minds and mindsets of the council executives by placing the account's supervision under the state government. Many state predators turned this system into a gold mine without the policymakers' knowledge. Their meddling became appalling and hurt the efficiency of the local government. The managers of the local government have experienced immense distress and open annoyance due to the frequent deductions, diversion, and delays of the local government allocation from the federation account. These are all very abnormal and ought to be avoided. In light of this, it is undeniable that the joint account system has failed and, as a result, offers no better opportunity for managing local community allocation.

Summary of Discussion of Findings

Summary

This study was set out to examine the 1999 constitutional provision on the state-joint local government account revenue generation and service delivery in Nigeria local government system. Seeing variation in health care and environmental sanitation services provided by the council's areas. local council or rural area services are at low ebb when compared with urban center. The study tries to understand factors responsible for this variation either level of funding or the council's revenue sources are responsible for the differences. In achieving this objective, the study assessed sources of revenue generation i.e., external from the

federation account directly to the local government account through the state government and the viability of internal revenue stated in financial memoranda for local government finances and how it has affected health care and environmental sanitation services, specifically in Area Councils from 1999 – 2025. For aiding the research study, literature on local government and state-joint local government account system are reviewed, empirical studies of the relationship between the three tiers of governments (Federal, State and Local Government) revenue sources specifically local government in provisions of the constitutional responsibilities stated in the Fourth Schedule of 1999 Constitution of Federal Republic of Nigeria was also reviewed.

Thus, the research is guided by theoretical framework of the theories of local government by Gboyega (1987). The research methodology, for this study was collected from primary and secondary sources of data with the used of questionnaires, interviews, academic journals and articles, published and unpublished masters' theses. Area Council are clustered into three communities due to the large population size of the councils for questionnaire administration. Interviewed was also purposively conducted with selected heads of department to comprehend the responses of questionnaire to sample respondents of the study and observation of the selected services. On this ground, the major findings, summary, conclusion and recommendations of the study were drawn.

Conclusion

In conclusion, Nigeria's federal system of governance led to the creation of subnational levels of government in order to handle the provision of public services. The degree to which local government is granted authority, functions, and financial resources in relation to the extent and gravity of their duties determines their ability to provide sustainable public services. In accordance with financial management, which is a component of administrative functions of planning and directing the resources in order to provide public services as desired by the people, money is unquestionably necessary for the accomplishment of any organizational objectives. Additionally, this is consistent with some of the viewpoints from the literature review (Usman and Erunke 2012, Angahar 2013, Felix and Okonette 2013), which states that the problem of insufficient funding for local government services has persisted in all local government councils across the nation. Since the 1976 constitution established a three-tiered federal framework, each level of government—especially the federal and state governments—has significant internal funding authority and a sizable portion of the federation account. Since the internal revenue sources left within local government jurisdiction are insufficient to meet their responsibilities, as previously stated in the Fourth Schedule of the 1999 Constitution of Nigeria, the state-joint local government account system and revenue structure overview shows that they rely heavily on statutory allocation for their survival. The revenue sources area councils examined a significant discrepancy between the expected statutory allocation and the statutory allocation, which serves as the primary source of money for the council's service delivery. Based on the data collected, the researchers conclude that local governments have failed and fallen short in socio-economic development. Former President Obasanjo stated in 2003 that no amount of funding had ever been allocated to the local level from the federation account in Nigerian history, but the expectation of rapid development had

been a pipe dream as successive councils wildly failed to fulfill their assigned duties. Constitutional provisions that allow the state government to obtain monies from the federation account for local governments hindered grassroots service delivery and gave the state more authority to manage activities at the local level. Nigerian financial accountability is undermined by several constitutional clauses, which, if changed, would improve accountability and openness.

Recommendations

Expectations have not been met by the state joint local government account system. Based on its operations, it has not succeeded in reaching its goals. To the detriment of local government councils and in favor of the state government, it has been excessively managed, subtracted, and redirected. It's useless now. An alternative is therefore required. Nevertheless, this led us to the following suggestion.

- The state joint-local government account system's constitutional clause ought to be removed. Because of the issues it has caused local councils, the abrogation is significant. These issues include deducting, diverting, and delaying the local councils' statutory allocation.
- there should be a direct allocation from the federation account to the local government should be instituted and well monitored. This policy plan will assist in improving the sorry financial position of the councils. It will also emancipate the local councils from manipulation by the state government on personal ground of individual interest.
- Ad hoc committees should be established by the congress as well, since corruption results from any attempt to establish a standing congress.
- Alternatively, the congress may use the local government's legislative branch to impeach the chairman of the local government if it is demonstrated that he has embezzled, mismanaged, and corruptly transferred public funds for private use. Following these suggestions will result in a more responsible spending pattern for local government funding, which will significantly boost output and performance.
- Amendment of the Constitution: To solidify local government autonomy, the National Assembly should amend the 1999 Constitution to include provisions that unequivocally guarantee local government financial and administrative independence. This will prevent state governments from undermining or circumventing the ruling in the future and help eliminate any ambiguity regarding local government powers.
- Reform of State Laws: State Houses of Assembly should align state-level legislation with the Supreme Court's ruling by revising existing laws that hinder local government autonomy. This will ensure that legal frameworks at the state level are congruent with the national commitment to local governance independence.
- Establishment of a Constitutional Review Mechanism: A constitutional review mechanism, inclusive of local government stakeholders, should be established to monitor and guide any future amendments or adjustments, ensuring continued alignment with the principles of decentralization. Ensuring Transparency

and Accountability in Financial Management Implementation of Rigorous Financial Reporting and Audit Systems

- Mandatory Annual Audits: The Federal Government, through the Office of the Auditor General, should mandate comprehensive and transparent annual financial audits of local governments. These audits should be publicly available to enhance transparency, ensuring local communities can scrutinize the use of funds.
- Quarterly Financial Reporting: Local governments must submit quarterly financial statements detailing income, expenditures, and budget performance. These reports should be sent to the Local Government Financial Oversight Authority (LGFOA) and the National Assembly for review, providing a clear record of financial transactions and resource allocation.

References

1. Abutundu, M. (2024). The challenges and opportunities for improving the local government system in Nigeria. Paper presented at the Third Biennial National Conference on Community Development in Nigeria, Grand Hotel, Asaba, November, 20–24.
2. Adejo, O. (2023). "Local government and 1999 constitution" in Kwanashie, M. (ed.) politics and political power relation in Nigeria. Zaria: Dat and Partners.
3. Adeyeye, M. O. (2025). Governing the Localities: Lessons Learnt. Being an Inaugural Lecture Delivered at Oduduwa Hall, Obafemi Awolowo Ile-Ife on 22nd March.
4. Adeyemo, D.O (2024). Local government autonomy in Nigeria: a historical perspective Journal of Social Sciences, Vol. 10 (2), 48-59.
5. Agagu, A. (2024). "Continuity and change in local government administration and the politics of under-development" in Ola, R. (eds.) development agenda of Nigeria State. Ibadan: Fiag publishers.
6. Agba, M. and Chukwurah, D. (2023). An assessment of service delivery mechanism in the grassroots (2023) Mediterranean Journal of Social Sciences, 4(2), 621-635.
7. Amah, E. I. (2018). Devolution of power to local government: Appraising local government autonomy under Nigerian federation. Beijing Law Review, 9, (2), 275-293. <https://doi.org/10.4236/blr.2018.92018>
8. Ammani, A. (2024): "Local government in the Nigerian Federation", culled from www.gamji.com/article.
9. Adesiyun, E. A. (2020). Local government administration and grassroots development in Nigeria. In Democratic Practice and Governance in Nigeria (pp. 135-152). Routledge.
10. Agu, S. U. (2023) "Funding and Financial Management in Enugu State Local Government: Problems and Prospects". Nigeria Journal of Public Administration and Local Government Vol Xiii, No. 1, May.
11. Awa, E. O. (2023). Federal government in Nigeria. University of California Press.

12. Ajayi, K. (2000). "Democracy and electoral politics in Nigeria" in Kolawale, L. (ed.) issues in Nigeria government and politics. Ibadan: Dakaal publishers.
13. Akinola, B. (2024). Problems and prospects of local government administration in Nigeria during 21st century. *Social Science and Law Journal for Policy Review and Development Strategies*. Vol. 3, (3), 95-103
14. Akpan, F. (2023). The Politics of Local Government Autonomy in Nigeria. *European Scientific Journal*, 9(35): 193-205
15. Asaju, K. (2020). Local government autonomy in Nigeria: politics and challenges of 1999 constitution. *International Journal of Advanced Legal Studies and Governance* 1 (1), 98- 113. Awa, E. (2020). The theory of local government in the substance of local government administration in Nigeria: theory and practice. Lagos:
16. Asbot. Bamidele, G. (2013) The role of local government in federal systems. Available <https://www.newsdiaryonline.com>.
17. Davey, K. (2021). Local autonomy and independent revenue. *Journal of Public Administration*, 49:45.
18. Domitilla, O. D. M., Pillah, Dr. T. P., Ayeh, Dr. R. I., (2025). The supreme court judgement on local government autonomy and abolition of state-local government joint account: an evaluation of issues, performance and trends. *IRASS Journal of Arts, Humanities and Social Sciences*, 2(5)69-84.
19. Diejomaoh, I. and Eboh, E. (2021) Local governments in Nigeria: Relevance and effectiveness in poverty reduction and economic development. *Journal of Economics and Sustainable Development*, 1 (1), 12–28.
20. Ezeani, E. (2025). Fundamentals of public administration. Enugu: Zik-Chuks publishers
21. Eze, C. (2023). The State-Local Government Joint Account and the Challenges of Grassroots Development in Nigeria. *African Governance Review*, 9(3), 112-135.
22. Federal Republic of Nigeria (1976) Guidelines for Local Government Reforms, Kaduna: Government Printer.
23. Federal Republic of Nigeria (1999). Constitution of the federal republic of Nigeria. Lagos: Federal Government Press.
24. Gboyega, A. (2001). Local autonomy: Nigerian local government system in historical perspective. International conference on new directions of federalism in Africa, Abuja.
25. Ibeto, I. and Chinyeaka, J. (2012) Issues and challenges in local government project monitoring and evaluation in *Journal of Public Administration and Management Research* , 10(3), 84-97. Retrieved from <https://journals.rcmss.com/index.php/ijpamr/article/view/1028>.
26. Ina, K. (2022). "The evolution of local government in Nigeria" in Okoro, C (eds.) local government administration and grassroots democracy in Nigeria. Calabar: Institute of public administration.
27. Banko, O. H. (2020). Local Government Autonomy in Nigeria and Politics of State Control. *ESUT Journal of Social Sciences*, 5(3).
28. Bello-Imam, I. B (1996) Local Government in Nigeria: Evolving a third tier of Government Ibadan: Heineman Educational Books (Nig) Plc. Federal Republic of Nigeria: Constitution of the Federal Republic of Nigeria, 1999. Federal Government Press: Lagos P.66.
29. Edet, J. T. (2021). Revenue allocation in Nigeria: issues, challenges and prospects. *Journal of Public Administration*, 56(1), 139-154.
30. Georgewill, O. (2021). Natural Resource Disputes, Leadership and Pacification: Local Claims and National Interest in Nigeria's Niger Delta (Doctoral dissertation, King's College London). Mackey, A., & Gass, S. M. (2015). Second language research: Methodology and design. Routledge.
31. Nelson, U. C. (2023, March). Joint Accounts System and Development in Nigeria Local Governments. In 11th International Conference (p. 65).
32. Nwaka, T.F (2006) "Bridging the gap between Mass Expectation and Local Government Performance". The pointer, Thursday, September 14
33. Odoemene, R. C. (2024). Internally Generated Revenue (IGR) and Infrastructural Development of Local Government Areas in Nigeria. *African Journal of Social and Behavioural Sciences*, 10(2), 301-317.
34. Ogunyemi, A. (2022). Federalism and Local Government Autonomy in Nigeria: Historical and Legal Perspectives. *Journal of African Public Administration*, 15(4), 78-102
35. Ojo, D (2008) "ICPC Summons Commissioners, two others" The Nation, Wednesday, August 20, Vol. 3 No. 0761 P.6.
36. Otabor, O. (2009) "Edo NULGE Backs Council Chiefs for Rejecting Allocation". The Nation, Thursday June 11, Vol. 3, No. 1056.
37. Pillah, P. T., & Jen, C. T. (2024). Navigating the Fiscal Landscape: Examining the Impact of Education Trust Fund on Public Universities in Nigeria. *International Administration, Policy and Governance Research*, 2(3), 228-251.
38. Pillah, P. T., Okpanachi, E. O., Agbaghare, D. E., & Fanan, U. J. O. H. (2024). Federalism and Water Management in Nigeria. *Journal of Public Administration, Policy and Governance Research*, 2(3), 228-251.
39. Rosenau, J. N. (2021). Governance in the Twenty-first Century. In *Understanding Global Cooperation* (pp. 16-47). Brill.
40. Slidders, C. (2019). The emerging right to directly participate in local governance: enhancing the social

inclusion of minorities and the politically alienated
(Doctoral dissertation).

41. Ter-Minassian, T. (2020). Intergovernmental fiscal cooperation and subnational revenue autonomy.
42. Teele, L. L., & Kline, M. (2019). Examining Local Government Financial Autonomy in Developing Countries: The Role of Fiscal Federalism. Public Budgeting & Finance, 39(3), 24-39. <https://doi.org/10.1111/pbaf.12206>
43. Usman, O. B., Pillah, Dr. T. P., Ayeh, Dr. R. I., (2025). Supreme Court Judgements on Local Government Autonomy. IRASS Journal of Arts, Humanities and Social Sciences,2(5)44-62.