

State-Joint Local Government Account and Governance Crisis at the Local Government in Nigeria

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Abstract

The paper evaluates the efficiency and effectiveness of State Joint Local Government Account (SJLGA) in the governance of local government in Nigeria. It also assesses impact of SJLGA on rural development. It examines the relationship between SJLGA and crisis of Governance. The paper adopted a survey approach to analyse primary data obtained from questionnaire and in-depth interviews. A sample size of 844 respondents was selected using proportionate random sampling from the study population (6,757). Data were analysed using regression, Pearson correlation and chi-square statistics. The study showed that State-Joint local government account (SJLGA) has not been efficient and effective in the governance of local government in Nigeria. The results also revealed that the SJLGA has made no positive significant impact on rural development rather it has eroded the principle of separation of powers between the state and local governments. The results further showed that the SJLGA has contributed to governance crisis at the local government in Nigeria. The paper concluded that the SJLGA is hindering the local government councils in Nigeria from performing their constitutional and statutory roles which is to enhance rural development and provide dividends of good governance.

Keywords: Efficiency, Effectiveness, State Joint Local Government Account, Governance Crisis, Rural Development

1. Introduction

Recent agitation in Nigeria by mostly Southern Nigeria could be attributed to inequality in the distribution of resources. This inequality has led to infrastructural deficit, high unemployment and incidence of poverty, bad governance, poorly motivated public service employees, ethnic tensions and conflicts, and poor intergovernmental relations. The effectiveness of any federal system depends on appropriate separation of powers and jurisdictions in terms of division of responsibilities and resources between federal, state and local governments supported by efficient institutional capacity of each level of government to carry out its assigned functions. The expansion of government activities in recent times have shown that strategies for fiscal discipline in the way revenues are effectively utilized and managed is of utmost concern. This has led to various measures being adopted to curb excessive and uncontrollable expenditure profiles among various levels of government in Nigeria. One of such measures is the introduction of state joint local government account (SJLGA) in the 1999 constitution to curb fiscal indiscipline and corruption at the local government level in the country.

The SJLGA currently enshrined and in operation in Nigeria federal system, has been described by scholars as repugnant to economic growth and development. The purpose for the establishment of the SJLGA was to ensure transparency and accountability in the management of local governments' revenue. However, the poor implementation of this and other policies in Nigeria have led to failure in achieving the purpose for establishment of the policy. The problems caused by poor implementation of the law that gave constitutional backing to establishment of the joint account system include diversion of fund and hijacking of statutory functions of the local governments by the state governments, imposition of undemocratic structures (caretaker committee) to run the affairs of the local government by the state governments, imposition of undesirable projects, abuse and non-compliance with relevance constitutional provisions that guide the operation of the SJLGA, illegal deduction from local government fund through the same account and over deductions of primary school teachers' salaries and shifting the sole responsibility of running primary education on local government, all of which have violated the constitutional provisions on the operation of the said account. Therefore, this paper evaluates the efficiency and effectiveness of SJLGA in the governance of local government in Nigeria. It also assesses impact of SJLGA on rural development. It examines the relationship between SJLGA and crisis of Governance.

2. Review of Related Literature

2.1 Local Government

The concept of local government carries a myriad of definitions and meanings. Attempts at finding a universally acceptable definition of the concept have so far proved abortive. There is a consensus among scholars that local governments exist to decongest government at the centre, thereby freeing national leaders from onerous details and undue intervention in purely local issues. In addition, it is agreed that local governments are run with a view to facilitating coordination and expedition of action at the local level (Ayo, 1984).

Local government system has no uniform structures, functions and powers in all countries of the world;

hence, it is difficult to have a common, universally acceptable definition for them. Alderfer (1964) for instance classified local government into four major categories. These include the English, the French, the Soviet and the traditional models. Experience has shown that no one definition will fit those four models. For instance, Robson (1949) concept is based on the English model, and he conceives local government as a territorial non- sovereign community possessing the right level and the necessary organization to regulate its own affairs. This in turn presupposes the existence of a local authority with power to act independently to external control as well as the participation of the local community in the administration of its own affairs. Robson emphasis is laid on representativeness and local autonomy. This definition according to Ridley and Blondel (1964) will not be appropriate for describing the French administrative systems, which is characterized by a high degree of centralization and bureaucratic control. Grassroot administration in France is never referred to as local government but as local administration. Whatever similarities exist between the British oriented and the French oriented grassroot administrative systems (for example some form of decentralization is common to both), they are not all identical and therefore no single definition can serve for both systems. Whereas the British local government enjoys some measure of autonomy and devolution of power, the French local administrative machineries are mostly characterized by déconcentration of power (Ayo, 1984).

According to Maddick (1966), deconcentration involves the delegation of authority adequate for the discharge of specified function to employees of central government who are situated outside the headquarters. This short comparison in the view of Barber (1975) is useful in that it clearly indicates that the type of geographical decentralization that is found in local governments - mostly British inspired local governments - is characterized by legal conferring of powers on a formally constituted local authority to discharge specified or residual functions. For the purpose of this paper, local government is conceived as a non-sovereign institution operating in a restricted geographical area, whose council members are elected or selected, but which enjoys some level of autonomy, (both political and administrative) the power of taxation or financial autonomy in its global sense.

In Nigeria today, the conception of local government is based on the definition provided by the 1976 guidelines for local government reforms. This guideline defined local government as Government at local levels exercised through representative councils established by law to exercise specific powers with defined areas. The powers concerned here implies that the councils are given substantial control over local affairs as well as the staff and institutional and financial resources to determine and implement projects so as to complement the activities of the state and federal government in their areas (FGN, 1976). Adeyeye (2000) defines local government in the unitary state as "non-sovereign community possessing the legal right but which are essentially administrative agents of the central government". The concept of the local government as a third-tier of government is predicated on the need to bring the instrument of governance closer to the communities and harnessing the interests and aspirations of the local communities as an inputs-outputs analysis in governance. The local government is a distinct legal entity and has power to raise its own revenue within its areas of jurisdiction as provided for in the constitution.

2.2 Evolution and Reasons for State Joint Local Government Account (SJLGA) in Nigeria

The SJLGA system first came into existence in 1979 following the 1976 nationwide local government reforms. The system operated with some anomalies which led to deductions and diversion of the local council's allocation from federation account by state governments. As a result of these abuses and refusal of state governments to comply with the statutory regulations on management of the joint account, the military administration of General Ibrahim Babangida abolished the SJLGA system in 1989. However, due to massive complaints and evidence of endemic corruption at the local government level, the SJLGA system was re-introduced in the 1999 constitution following the restoration of civil rule in 1999. However, there are agitations all over Nigeria that the SJLGA should be abolished due to the undue interference and illegal deductions by state government.

The 1999 constitution of Nigeria under section 162(6) provided for the establishment of SJLGA. The State Joint Local Government Account is a special account maintained by each state government "into which shall be paid allocations to the local government councils of the state from the Federation Account and from the Government of the State" (FGN, 1999). The Account is meant to be a mechanism that can implement the notion of 'fiscal federalism' at the local government level. However, majority of the state governments made some unnecessary deductions and more often diverted the funds to other areas of personal interest thereby contributing significantly to the abysmal performance of local governments in providing good governance for the grassroots. This practical operation of the SJLGA has denied local government councils their financial autonomy (Sanusi, Tabi'u and Mohamed, 2013).

2.3 Governance

The concept of "governance" emerged in international relations in 1989 when the World Bank described the situation in Africa as a "crisis of governance." Since then, the term "governance" has been widely, if not

exclusively, related to the politics of development and especially to development in the post-colonial world. Graham, Amos & Plumptre (2003) define governance as “the interactions among structures, processes and traditions that determine how power and responsibilities are exercised, how decisions are taken, and how citizens or other stakeholders have their say.” World Bank (1997) defined Governance as the manner in which power is exercised in the management of a country’s economic and social resources. The World Bank has identified three distinct aspects of governance: (i) the form of political regime; (ii) the process by which authority is exercised in the management of a country’s economic and social resources for development; and (iii) the capacity of governments to design, formulate, and implement policies and discharge functions.

2.4 Local Government and Crisis of Governance in Nigeria

Nigerian federal structure is delineated into three tiers by the 1979 Constitution, in which each tier enjoys a considerable measure of independence jurisdictionally, financially, and functionally, although, several forces appear to tilt the balance of power in favour of the centre, and rarely in favour of state governments and local government councils (Akinsanya, 2005). Nwabueze (1983) in Ugwu (2003), had inferred that the Constitutional power to establish local government, define its structure, composition and functions. They were of the view that the local government is a mere State agency or a creation of the State government. He believes that it would be erroneous to see it as an independent third tier of government. As such, the issue of autonomy of local government becomes a myth and not a reality.

The Constitution empowers the State to scrutinise and approve Local government budgets, and expenditure through the State House of Assembly, States here exercise arbitrary and undue control over Local government finance through the establishment of the State Local government Joint Account. The issue of State Local government Joint Account has been a thorny issue in Local government - State relationship in the Fourth Republic. This situation also brought to the fore the question of Local government autonomy. The experience with many Local government areas was that their states starve them of the statutory grant thus denying them of rendering essential services as required (Asaju, 2010). Dalhatu (2006) argued that the issue of autonomy has to do with the Local government, beyond mere constitutional provision that would be organised as the third tier of government, with power to regulate, to spend and powers to provide services. But experience and empirical evidences have shown that financial autonomy of local government is non-existent in Nigeria. The inability of local government to access revenue allocated to it from the federation account, and continual interference by the state governments in the affairs of local governments to utilise its revenue for the provision of social services has led to governance crisis at the local level.

2.5 State Joint Local Government Account and the Crisis of Governance

The state joint local government account has created more problems in Nigeria instead of being a solution to problems of local governance. Abubakar (2008) described the excessive state controls or interferences in the affairs of local governments as an hindrance to effective service delivery at the local level. This excessive control through interferences has led to crisis of governance, which has paralyzed the administration of local governments in Nigeria. In agreement with Abubakar’s postulations, Onah (2004:12) argued that Local Governments are heavily deprived of funds which they could use in providing services that will lead to rural development. However, due to the skewed administration of the State Local Government account in favour of the state the local governments are deprived of the most resources thus leading to crisis of governance.

Over the years, the Nigerian Local government administration has been faced with series of developmental and economic challenges where different policies have rendered the councils incapacitated to discharge their constitutional mandates (Sanusi, Tabi’u & Mohamed, 2013). In the same vein, the state government through control and interference in the local government affairs mismanaged the local government fund. For instance, the statutory allocation to the 23 local governments in Kaduna state in April 2007 was N999,084,103.30 but the statutory and non-statutory deductions from this allocation amounted to N680,175.438.43 (Kurfi, 2008)

Analyzing the crisis of governance as it emanates from the management of state joint local government account, Chukkol (2006) described the situation that occurred in one of the North -Western states, where he witnessed on the last day of a workshop, in which the Ministry for Local Government announced a deduction from local government’s funds in order to pay for enlarged pictures of the State’s First Lady. This type of situation is clearly an abuse of power and disregard to constitutional roles of the Nigerian Local Governments.

3. Research Method

The paper adopted a survey approach to analyse primary data obtained from questionnaire and in-depth interviews using multi stage sampling technique. The first stage involved the stratification of the entire country into the six geopolitical zones. In the second stage, one state was selected from each geopolitical zone using random sampling technique namely: Nassarawa (North-central), Bauchi (Northeast), Zamfara (Northwest), Imo (Southeast), Edo (South-south) and Osun (Southwest) namely: Nassarawa (North-central), Bauchi (Northeast),

Zamfara (Northwest), Imo (Southeast), Edo (South-south) and Osun (Southwest). The third stage entails the purposive selection of four Ministries, Departments and Agencies (MDAs). The selected Ministries were Finance, Local Government and Chieftaincy Affairs; and Agency selected was local government service commission. In the fourth stage, two local government areas (one urban and one rural) were selected from each senatorial district of a state using stratified random sampling technique. The local government councils selected were Bauchi and Bogoro (Bauchi South), Ningi and Misau (Bauchi Central), Katagum and Shira (Bauchi North); Esan Central and Igueben (Edo Central), Etsako Central and Akoko-Edo (Edo North), Oredo and Egor (Edo South); Owerri Municipal and Ikeduru (Imo East), Orlu and Njaba (Imo West), Okigwe and Obowo (Imo North); Nassarawa-Eggon and Wamba (Nassarawa North), Keffi and Kokona (Nassarawa West), Lafia and Keana (Nassarawa South); Ife Central and Atakumosa (Osun East), Ede North and Isokan (Osun West), Osogbo and Orolu (Osun Central); and Kaura Namoda and Zurmi (Zamfara North), Gummi and Anka (Zamfara West), Gussau and Tsafe (Zamfara Central). The Departments selected at the local government councils included Finance, Works, Health, Education and Community Development. A sample size of 844 respondents was selected using proportionate random sampling from the study population (6, 757) which consisted of senior and management staff. The historical research method was also used to analyse the secondary data obtained from relevant books, journals, internet resources, and official publication on how SJLGA was managed and how the funds were allocated and utilised towards democratic sustainability for good governance and development in Nigeria. The historical research method involves investigating, recording, analyzing and interpreting events with a view to arriving at an acceptable research outcome (Osunde 1993).

4. Results and Discussion

A number of important findings emerged from the study which provided significant insight into the level of efficiency and effectiveness of state joint local government account (SJLGA) as well as limitations of SJLGA in Nigeria. Results obtained from multiple regression and Pearson correlation analysis are presented in Tables 1 to 3.

4.1 Efficiency and Effectiveness of State Joint Local Government Account in the Governance of Local Government in Nigeria

Table 1 present result on multiple regression analysis on efficiency and effectiveness of State Joint Local Government Account (SJLGA) in Nigeria. The results of the t values indicated that the level of efficiency and effectiveness of SJLGA with an absolute value less than one (< 1) and p value greater than 0.05 ($p > 0.05$); this imply that the SJLGA has not been efficient and effective in the governance of local government in Nigeria. One of the reasons for the establishment of the SJLGA is to put an end to wasteful spending and corruption in the governance of the local government. However, the t value results showed that SJLGA has not really reduced wasteful spending and corruption in the local government ($t = .199, p > 0.05$). In an interview with a Director of a local government in Bauchi North Senatorial District, he revealed that deprivation of the local government of funds seems to give an impression that there is reduced wasteful spending and corruption, however, wasteful spending of fund is noticeable with state governments who divert funds from the SJLGA into other uses. This result is in agreement with the findings of Jumare (2009), who asserted that the State Governments regularly misappropriated Local Government allocations through series of deductions for all kinds of projects in the name of State-Local Government Joint Projects.

The regression results ($t = -1.587, p > 0.05$) revealed that SJLGA was not effective in monitoring local government expenditure. This result was affirmed in an interview with a Deputy Director of a local government in Edo North Senatorial District. She averred that the only thing that state governments are interested in monitoring at the local governments is the expenditure incurred by the local governments, but since the state governments have taken over the funds of the local governments, they are not bothered about monitoring the activities of the local governments.

The results ($t = 1.257, p > 0.05$) has led to reduction in mismanagement at the local government. The p value indicated that SJLGA has no significant influence on reduction in mismanagement at the local government. The result was in agreement with the view of a Director of Finance of a local government in Osun West Senatorial District, who reiterated the views of some scholars that since the local governments are deprived of funds, they will definitely have no contact with funds; as such there cannot be any form of mismanagement at the local government. This finding corroborated the work of Odoh (2004) who stated that in an interview with Jubril Aminu on Local Government Reform, Aminu sees State Government as the problem of SJLGA. Aminu believe the state governments are responsible to a great extent for the poor functioning of the local government system because local government autonomy has been abused by the state government through diversion of local government fund, nepotism in recruitment and posting which led to poor governance at the local government.

The regression results ($t = -.172, p > 0.05$) revealed that SJLGA has not promoted transparency and accountability in the conduct of government business at the local government. This may be attributed to the

overlord attitude of state governments over local governments in Nigeria. This result was in consonance with the work of Newsticker (2013), who argued that the SJLGA has made accountability in local government very difficult. Newsticker established that the huge deduction and diversion of local government funds by the state governments has made the local governments unable to give account of their expenditure to the public at any given time, rather the funds are abused for other frivolous issues and personal interest by the state government and other parties. This led the former Chairman of the Revenue Mobilization allocation and Fiscal Commission (RMAFC) Engr. Elis Mbam to suggest that abolition of SJLGA will help to ensure transparency and accountability of local government in the country.

Finally, the results ($t = -1.848, p > 0.05$) showed that disbursement of funds from the SJLGA to local governments was inefficient and ineffective. Confirming the results in an interview, a Deputy Director in a local government in Imo East Senatorial District described the poor or zero disbursement of funds as being responsible for the inefficiency and ineffectiveness of local governments in Imo state. Corroborating this finding, Ayogu, Okagu & Ogbe, (2018) in their work reported that most state governments divert funds meant for local governments to fund state sponsored projects. Ayogu *et al.* observed that the poor financial management of SJLGA has adverse effect on the system like leaving the local governments with insufficient fund to manage their affairs.

Table 1: Regression Analysis on Efficiency and Effectiveness of State Joint Local Government Account in the Governance of Local Government in Nigeria

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.190	.295		.645	.520
It has reduced wasteful spending and corruption in local government expenditure	.017	.084	.021	.199	.843
It has resulted in effective monitoring of local government expenditure	-.147	.092	-.174	1.587	.115
It has led to reduction in mismanagement at the local government	.119	.095	.144	1.257	.211
It has led to transparency and accountability in the activities of the local government	-.016	.093	-.020	-.172	.863
Disbursement of funds from the state joint local government account	-.149	.081	-.179	1.848	.067

Source: Author's computation

4.2 Impact of State Joint Local Government Account on Rural Development

The inclusion of the SJLGA in the 1979 and 1999 Nigeria constitution was to speed up rural development. However, the abuse of the intents for establishment of the SJLGA has led to governance crisis at the local government. Table 2 present the results of correlation analysis between the independent variables.

The results ($r = -.103, p < .05$) showed a negative but significant relationship between autonomy and expenditure responsibilities of local government by the state government. This implies that autonomy of local governments has been abused by state governments through the taking over of expenditure responsibilities of the local governments. The result of this study was in tandem with the work of Agu (2007), who 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 the lack of financial autonomy for local governments. Local government has no real control over her resources as a result of lack of autonomy.

The results showed a positive and significant relationship between continual interference in the activities of local government by the state government and disregard for local governments autonomy ($r = .524, p < .05$). This implies that the continual interference in the jurisdiction of local government by the state government has disregarded the constitutional recognition of the local government as a tier of government and the autonomy it supposed to enjoy. The outcome of the result of this study was in agreement with the work of Eme *et al* (2013), who contended that lack of independence of the local government is as a result of lack of fiscal autonomy. He posited that there cannot be absolute autonomy without fiscal autonomy. The result of this study was also in consonance with the work of Musa (2011), who asserted that the main challenges to local governance is the method the provision of section 7 and 162 of the constitution have been handle by the state government. He argued that the way the state government handled the SJLGA stipulated in section 162 undermines local government financial autonomy and capability to achieve its functions or roles to the people. Therefore, the local government system cannot be improved without autonomy most especially the financial autonomy.

The results also revealed that the SJLGA had a negative impact on transparency and accountability ($r = -0.30, p > .05$). This implies that there is no transparency and accountability in the operation and management of

the SJLGA. This result reiterated the findings of Asaju (2010) who applauded the provisions in the Constitution that dictate the power and financial relationship between the various tiers of government, especially the State and the local government. He stated that they are made to serve as checks and balances; and ensure transparency and accountability. It is therefore obvious, that, for any meaningful development. However, there is a crisis in the management of SJLGA between the state and local governments with the lack of transparency and accountability in the operation of the account.

The results ($r = .154$, $p > .05$) showed a positive but no significant relationship between SJLGA and coordination and collaboration in execution of projects between the local governments and the state governments. This implies that there is no coordination and collaboration between the state and local governments in execution of projects. The result gave credence to the work of Okafor (2010), who asserted that the operation of the SJLGA as provided for in the constitution should contribute to cooperative administration, accountability and transparency in local governance within the principle of separation of powers and the rule of law. He further observed that in reality the operation of SJLGA has led to state government interfering with the financial autonomy of local government through the mechanism of SJLGA which undermines development. He advocated for direct allocation to the LGA and establishment of an independent audit agency to inspect statutory allocations.

The results ($r = .331$, $p > .05$) showed a positive but no significant relationship between SJLGA and duplication of efforts in project execution by the state and local governments. In an interview with a Director of works of a local government in Zamfara North Senatorial District, he stated that local governments rarely receive funds for projects; hence duplication of efforts in project execution cannot occur. His view was further reiterated by a Deputy Director of administration and general services of a local government in Nassarawa West Senatorial District, who argued that since state governments have deprived the local governments of their funds from the SJLGA, local governments have been unable to execute projects, meaning duplication of projects is not realistic.

The results ($r = -0.046$, $p > .05$) showed a negative but no significant relationship between SJLGA and rural development. This implies that SJLGA has contributed negatively to rural development, instead of development what is been experienced in the rural areas is underdevelopment. It also indicates that the SJLGA has no positive significant impact on rural development. The operations of SJLGA has increased the incident of underdevelopment in most local government areas. The result of this study substantiated Ezeji (2010) assertions that allowing the SJLGA to still exist is antithetical to the much desired sustainable development at the local level. The deduction of the statutory allocation, meant for the local government makes the achievement of development very difficult. This has contributed to increase in poor infrastructures, low standard of living, low human resources development etc. That is why Ogunna (1996) posited that for the local government to serve as a powerful instrument for rapid rural transformation, it should possess a solid financial base. Agba *et al* (2014) and Moyo and Taiwo (2011) concluded that the hope for rapid and sustained development at the grassroots is a mirage because local government grossly underperforms as a result of the SJLGA.

The results ($r = 0.288$, $p > .05$) showed a positive but no significant relationship between SJLGA and autonomy of local governments. The result gave credence to Nosiri (2013) finding which stated that SJLGA has constrained the functions of local governments and concentrated power in favour of state government. Furthermore, the result of the study corroborated the finding of Ekwonna and Nosiri (2014), who pointed out that state governments are reluctant to allow SJLGA to be abolished because it will reduce the level of their powers over the local government. So, the desire for high centralization of power by the state government has encouraged the state government to support the existence of SJLGA mechanism. This situation will make the local government to be too dependent on the state government on any activity which further undermines their autonomy. In addition, the state governments always desire to increase their power (centralize their powers) over the local government and its behavior towards the local government is really Unitarian in character.

Table 2: Correlation estimates on the impact of SJLGA on Rural Development

S/N		1	2	3	4	5	6	7
1.	Autonomy and expenditure responsibilities	-						
		.103						
2.	Continual interference in the activities of local government by the state government		.543					
3.	Transparency and accountability			-				
				.030				
4.	Coordination and collaboration in execution of projects				.154			
5.	It has stopped duplication of efforts in project execution by the state and local governments					.331		
6.	It has hindered the efforts of local governments in bringing about rural development						.246	
7.	It has constrained the functions of local governments and concentrated power in favour of state government							.288

Source: Author's computation

4.3 Relationship between State Joint Local Government Account and crisis of Governance

Table 3 shows the correlation coefficients of the predictor and response variables. The result ($R=0.697$, $R^2=0.485$, $Adj. R^2=0.420$, $F=7.482$, $p<0.05$) implied that about 69.7% relationship exists between SJLGA and governance crisis at the local government. In other words the correlation coefficients indicated that the SJLGA has contributed to governance crisis at the local government in Nigeria.

The result is in consonance with the Technical Committee Report (2004) and the subsequent White Paper that showed considerable concern in the way the SJLGA was managed as it caused much disaffection between States and Local Governments thereby affecting programme implementation. It also observed that adequate flow of funds has not always been guaranteed in the period under review. These and other observations had led the Technical Committee to recommend the abolition of the Joint Account and the restoration of the direct funding system.

The results also affirmed the findings of Otinche (2014) who asserted that there is crisis in the management of fiscal resources between the state and local governments with the creation of the State Joint Local Government Account. Otinche argued that the efficient management of local government finance is constrained by the political impunity of state governors and this has undermined grassroots development. Generally, the efficiency with which each tier of government manages its financial resources depends on the enforcement of statutory financial rules and regulations and ethical political orientation. These are antidotes to fiscal due process and fiscal discipline.

Also reiterating the results, interviews held with Directors of Finance, Personnel, Administration and Works of local governments in Osun Central, Edo South, Nassarawa North, Imo North, Zamfara West and Bauchi Central revealed that local government is almost dead in Nigeria, rather what is left of it are the physical infrastructure that adorn the landscape called secretariat. They also averred that the state has taken over all functions of the local government hence there is governance crisis at local level in Nigeria. This may be responsible for the increasing insecurity in the country.

Table 3: Model Summary showing Relationship between State Joint Local Government Account and Governance Crisis at the Local Government

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	.697 ^a	.485	.420	.85312

Source: Author's computation

4.4 SJLGA and Governance crisis in the administration of Local Government

Table 4 identified the cause of governance crisis in the administration of local government. Chi-square analysis ($\chi^2=111.69$, $P<0.05$) shows that there is continual interference in the activities of local government and by state governments. This result reiterated the findings of Coker and Adams (2012) who studied the challenges of managing local government finance in Nigeria. They identified issue of undue interference of state government on local government revenue, which undermines the effective management of local government finance for development. They recommended for guarantee of financial autonomy to the local government, and abolition of State Joint Local Government Account for effective management of local government finance.

Chi-square analysis ($\chi^2=111.69$, $P<0.05$) of the predictor variables shows that there is reduction in funds to the local governments. This result is in agreement with the findings of Nosiri (2011) and Funsho (2013) who

established that the operation of State Joint Local Government Account has made the LG unable to make effective planning for a realistic budgeting. The frequent deduction, diversion of local government funds creates a situation of uncertainty on the side of the LG towards making any plan on how to utilize its resources. Nosri and Funsho argued that local government has become thoroughly underfunded while effective planning and budgeting have become impossible. This means that the local government can plan and implement its budget effectively if their allocations are not tampered.

Chi-square analysis ($\chi^2=111.69$, $P<.05$) shows that SJLGA has incapacitated local governments from executing projects for good governance. This result gave credence to the work of Ekwonna (2013) which stated that the state joint local government account is a major source of problem for the local governments. The operation of this statutory requirement has had the singular effect of incapacitation of local government operation as state governments have appropriated the funds belonging to the local governments.

Chi-square analysis ($\chi^2=28.708$, $P<.05$) shows that state government impede the autonomy of local governments. This result corroborated the findings of Ojugbeli & Ojo (2014) who argued that the introduction and the subsequent implementation of the state joint Local Government account system in Nigeria has empowered the State Government to interfere with the allocation of the local government councils thereby depriving them of a vital financial position, which, however, affects the performance and development of the councils.

Chi-square analysis ($\chi^2=81.764$, $P<.05$) shows that the SJLGA has constrained the functions of local governments and concentrated power in favour of state government. This result affirms the findings of Uzundu (2011) who avers that under the state/local government joint account, only salaries and overheads of between three to five million naira are released to the local government councils while the buck of the fund are retained by the state. As a result of this, local government councils in Nigeria are left with insufficient fund to carry out their statutory responsibilities. The bulk of the funds are retained by the state. As a result of this, local government councils in Nigeria are left with insufficient fund to carry out their statutory responsibilities.

Chi-square analysis ($\chi^2=81.764$, $P<.05$) shows that the SJLGA has resulted in lack of transparency and accountability by state governments in actual revenue released to local governments. This views was reiterated in an interview by internal auditors of local governments in Nassarawa West, Imo East, Edo South, Osun East, Zamfara Central and Bauchi North, who described the operations of the SJLGA as lacking transparency and accountability transparency and accountability. This they attributed to the excessive state controls and interferences, deduction of local government funds at source, imposition of policies on the local government, incessant transfer of senior staff of local government, lack of freedom to initiate and approve development projects above N500,000.00 and unnecessary delays in remitting grants and allocation due to local governments.

Table 4: SJLGA and Governance crisis in the administration of Local Government

S/N		Chi-square (χ^2)	df	p-value
1.	The SJLGA has resulted in interference of state government in revenues allotted to local government is hindering rural development	69.472 ^a	4	.000
2.	The SJLGA has resulted in reduction in funds to the local governments	111.069 ^a	4	.000
3.	The SJLGA has incapacitated the local government from executing projects for rural development at the local government level	94.264 ^a	4	.000
4.	The SJLGA has impeded on the autonomy of local governments.	28.708 ^a	4	.002
5.	The SJLGA has constrained the functions of local governments and concentrated power in favour of state government	81.764 ^a	4	.000
6.	There is transparency and accountability in the operation of SJLGA	2.944	4	.567

Source: Author's computation

5. Conclusion

This paper has shown that the SJLGA is hindering the local government councils in Nigeria to effectively perform their constitutional and statutory roles which should enhance the rural development of their localities and thus make citizens at the grass root to enjoy the dividends of good governance and democracy. The paper also revealed that the provisions of the 1999 constitution on State-joint local Government Account System and its financial management relegated and undermined the powers of the local government councils to enhance rural developments. The operation of the SJLGA gave the state governments more powers over the local governments in such a manner that the states divert funds meant for the local government on expenditure meant for states.

Also, the interference of the state governments in the jurisdictions of local governments has eroded the needed financial autonomy and independence as practiced in true federalism. The state governments have taken over the functions of the local governments through the instrumentality of the SJLGA. The state governments collect taxes and levies meant for local governments, the states even in some cases draw budgets for the local

governments and implement it. The only fund in most cases that state governments makes available to the local governments is fund to pay workers salaries.

The operation of SJLGA System as provided by the 1999 Constitution has not achieved its goal, since State Governments in Nigeria have used this as an opportunity for diverting and utilising local Government allocations from federation accounts in the name of special deductions in the JAAC system. Instead of monitoring, supervising and acting as a check to the efficient financial management of Funds accruing to the Local Government councils from Federation Account, the state governments are rather deducting from the local Government Council Funds through their Joint Allocation Account Committee (JAAC) system. The state joint local government account system has not lived up to expectation. From the way it has operated it has failed to achieve its objectives. It has been used to deduct and over divert funds in favour of the state government and to the detriment of the local government councils. Finally, the operations of the SJLGA have eroded the powers and autonomy of the local government in promoting rural development through the provision of social services. However, this is made impossible as a result of over-lordship attitude of the state governments and the continual impeding of the local government autonomy by the state.

Conflicts of Interest:

The author declares no conflict of interest

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