

# State and Local Government Joint Account and Its Implication in Grass-root Development in Nigeria. An Appraisal

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**Abstract:** *The 1999 constitution as amended recognized Local Government as the third tier government with assigned functions and responsibilities. Equally, the same constitution stated that local government gets her allocation from the federation account on monthly distribution. These funds from the federal Government are paid into a special account called the State Joint Local Government Account (SJLGA), which is created by the law under section 162 of the same 1999 constitution, as amended. The State Joint Local Government Account (SJLGA), system has brought abysmal failure in facilitating funds to local government for rural development due to wrong implementation process by the state governments. The objective of this study is aimed at finding out how the implementation of the State Joint Local Government Account (SJLGA), has affected the rural development. The study review extant literature and employed the elite theory for its theoretical framework for analysis. The data were sourced mainly through secondary sources and qualitatively analyzed. The finding reveals that the implementation of the State Joint Local Government Account has negatively affected the level of rural development in Nigeria. Based on this, the paper made some plausible recommendation among others, that the on-going 1999 constitution amendment should take into cognizance and review the sharing allocation procedure or allow the local governments to access their fund directly from the Federal Government. This will enhance, promote and strengthen the effective and efficient service delivery of local governance at the grass-root.*

**Keywords:** State Joint Local Government Account, Rural Development, Local Government Joint Allocation Account Committee, Third tier Government.

## INTRODUCTION

Fundamentally, the historical evolution of local government system in Nigeria has trajected very closely, the Pre-colonial, Colonial and Neo-colonial political development in Nigeria, Acha (2009), cited in Nwodo and Offu (2009). In fact, prior to the coming of the white Men, there existed the political entity called Nigeria with relatively autonomous villages, town and ethnic groups with minimum contacts usually limited to trade, social transactions and little political relationship with others, as such before even the British came into contacts with us, we were developed people having our own institutions, having our own ideas and methods of government (Adedeji 1999; Ademolekun, 1993).

Precisely, the pre-colonial phase of the local government system that were in existence satisfied the political and economic needs of different groups at that time. Aderomu (2007), Adeyemo (2005), cited in Ebiziem (2021) observed that these traditional political systems were regarded as a form of political government established by ethnic group, Hausa/ Fulani, Igbo, Yoruba and others for the provision of infrastructural and social services to the people at grassroots.

The second phase was the creation of Native Authority System by the colonial government (Indirect rule system). The National Authority was mandated with the tasks of tax collection, maintenance of law and order. It was validated and enacted under the native ordinance of 1916. Empirical and historical records prove that the system was successful in Northern region, partial success in south-west and a colossal failure in the South-East due to the acephalous nature of the people and segmented administration system. (Ayakeime, 2005; carr, 2005).

The third phase is predicated on post independent epoch of local government administration in Nigeria Local Government was operated differently by the component states with executive, legislative and sometimes Judicial functions. However, Local government administration took a new dimension in 1976 local government reforms initiated by Obasanjo led military government. The main features of the 1976 reform were blended with the 1979,1989 and 1999 constitutions as amended. Thus, Nigeria is

federation with three tiers of government, thirty six states, Federal Capital Territory (FCT) and 774 local governments all contained in the constitution.

The State Joint Local Government Account (SJLGA), was a Financial Policy of Local Government came into being in 1979 constitution as a result of the nation- wide local government reforms of 1976. The SJLGA was later provided for the 1979 constitution in section 149 (4) (5) (6) and (7) and thus seen the first time the constitution stipulates the provision of SJLGA and the allocation of revenue from the state and federal governments in the local government. Furthermore, Based on the 1979 constitutional provision, necessitated the National Assembly to enact the “Allocation of Revenue (Federation Account etc) Act of 1982 which provided for 10% of the total state government revenue to the local government (see, Ogunna 1996:181). This same Act later established Federal Account Allocation Committee (FAAC) (Ogban and Chukwu, 2011:521). The Military intervention in Nigeria (during Babangida’s regime) led to the suspension of 1979 constitution and the abolition of State Joint Local Government Account (SJLGA). In Babangida regime, there was increase in the statutory allocation of the Local government from 10% to 15% and later 15% to 20% and the allocation was directly paid to the local governments instead of through the joint account. The Babangida regime amended the section 149 (4) and (5) of 1979 constitution and directed the state governments to distribute 10% of its internally generated revenue among the local governments in each state.

The resumption of democratic government in 1999 which necessitated the emergence of the 1999 constitution authorized the return of State Joint Local Government Account in Nigeria, (see section 162 (5)-(8). And the SJLGA. In fact, Ebiziem (2021), Maintained that section 162 (6) of 1999 constitution stipulates that every states shall keep special account to be called “State Joint Local Government Account (SJLGA)” into which all allocation to local government councils of the state from the federation account and from the Government of the state shall be paid in. This section does not allow the direct payment of state statutory allocation to the local government rather sees the state as the supervising agent and oversees distribution, disbursement and managements of funds by the local government. From the foregoing, This paper examines the State Joint Local Government Account (SJLGA) and its implications to Grassroot development in Nigeria. The paper for easy comprehension is segmented with introduction, conceptual clarification, methodology, theoretical framework, data analysis and discussion, conclusion and recommendation.

### **Statement of Problem**

The 1976 Local Government reforms stated that there should be State Joint Local Government Account in order for state government to have access to the fiscal activities of local government and to ensure the resources available for local government for provision of infrastructural facilities, are adequately and equitably distributed, However, the system has created problems through its wrong implementation. The system has been orchestrated with Arbitrary and illegal deduction from local government statutory allocation by the state government constant and flagrant diversion of the allocation, withholding, or delaying in the release of statutory allocation, thus, the above has made the system problematic and hinder rural development to the people.

Indeed, despite the reforms in local government system, the poor intergovernmental, fiscal relations between the states and local governments has been highly problematic particularly, in areas of deducting, diverting and delaying statutory allocation has generated unimaginable crisis that has resulted in poor service delivery at the local government as well the failure of the state government to provide and improve basic amenities for people within the state. Thus, local government continued to witness high level of poverty, unemployment, armed robbery, kidnapping, massive and incessant rural-urban drifts and other anti-social deviant behaviours at the rural areas. Therefore, the above problems have been identified as unsatisfactory and militating factor at the local unit and were largely created by the wrong implementation of State Joint Local Government Account (SJLGA) that has negatively constitute a clog in the wheel of rural grass-root development. This work intends to investigate the problem with a view of finding solution towards strengthening service delivery of local government.

### **Conceptual Clarifications**

Attempt is made here to clarify the concepts of the discourse and to provide an analytical foundation for better understanding of the subject matter.

#### **Local Government**

There is no universally accepted definitions of the term “Local government” A number of scholars have pointed out the problematic nature of the concept. For example Mackenzie (1964) Whitakers Jr (1970), Wickwer (1970) Orewa (1991) Ogunna (1996) and Okoli (1985), have all commented extensively on the elusive nature of the term. However, we shall examine few scholarly definitions activities to enable us operationalize our discourse.

Emezi (1984) defines local government as a system of local administration under local communities that are organized to maintain law and order, provide some limited range of social amenities and encourage cooperation and participation of inhabitant towards the

improvement of their conditions of living. Although, this definition has some limitations but its major prescription is that local government provides community with formal organizational framework which enables them conduct their local affairs effectively for general good.

More encompassing definition of local government and one that captures the relevant indices of local government is contained in the guidelines for a reform of local in Nigeria.

A local government is:

Government at the local level exercised through representative council established by law to exercise specific powers within definite areas. These powers should give the councils substantive control over local affairs; as well as the staff and institutional and financial powers to initiate and direct the provision of services, and to determine and implement projects, so as to complement the activities of the state and federal government in their areas, and to ensure, through active participation of the people and their traditional institutions, that local initiatives and response to local needs are maximized (FRN, 1976:1).

In totality, in a federal state like Nigeria, scholars like Adeymo (2005), Ogunna (1996), Olowo (1988), Okoli (2011) among others posited that local government plays crucial role in rural as well as in urban development across the globe.

Arising from the above definitions, we can reasonably posit and see local government as:

- A sub-system playing its part with the large national political system
- The lowest level of government in a uniting political system and lowest level government in a federal, con-federal three level government.
- It is usually elected / selected and representative
- It is established by law and has certain responsibilities.
- It includes a certain population living within the confines of a defined territory and
- It is a legal entity of its own, and so can sue or be sued

### **Federalism**

Where (1963) Sec federalism as a method of dividing powers so that general and regional governments are equal within a system co-ordination and independent. He further posited that it is a system of government in which the governmental functions and powers of the state are shared between the federal government and the constituents- they are co-ordinate in powers.

Thus, where (1963) as cited by Shiyabade (2020) Opined that in a federated state, each local government should have sufficient resources to prosecute its statutory functions without necessary resorting to meeting the other tiers of government for assistance.

If state authorities, for example, find that the services allotted them are too expensive for them to perform, and (hence) they call upon the federal authorities for grants and subsidies to assist them, they are no longer co-ordinate with the federal government but subordinate to it. It follows, that both state and federal authorities in a federation must be given the power in the constitution, each to have access to and control its own sufficient financial resources. Each must have a power to tax and borrow for the financing of its own services by itself (where, 1963).

In summary, where submitted that there are four basic attributes of federalism:

- a. Clear-cut division of governmental powers and responsibilities between levels of government;
- b. Existence of a written constitution spell-out clearly the division and from which both the central and other levels of government derive their powers and authorities;
- c. Independent judiciary to arbitrate in cases arising from (a); and
- d. A fiscal arrangement which embraces non-subordination and independence of either level of government among the federating units.

Similarly, other scholars like Adenij (2013), Jinadu (1979) Akinyemi (1979) and Ayoda (1978) argued that federalism is form of government that brings together in alliance constituent governments each of which recognizes the legitimacy of an overarching central Government to make decision on some matters once exclusively the responsibility of individual mother states. Therefore, the multidimensional and multi-level governance, structure, decentralization, creates opportunities, for separate self-sustaining centers of power structure and third tier capacity to bring needed development to the grassroots in Nigeria.

### **Understanding State Joint Local Government Account (SJLGA).**

The State Joint Local Government Account (SJLGA) is simply conceptualized as an account specially created and maintained by every state government in Nigeria which embodies the payment of their owner (that is state) 10% internal generated revenue. The Joint Account System was introduced through an act of National Assembly known as Allocations of revenues Federation Accounts Act Decree 49 of 1989 which established Revenue Mobilization and Fiscal Commission (RMAFC). The 1999 constitution of the Federal Republic of Nigeria made provision operation of state Joint Local Government Account.

Historically, the account was created in 1979 constitution following the nation-wide local government reforms of 1976. The system was abolished in 1989 by the General Ibrahim Babangida administration due to its wrong implementation by the state government. It later in 1999 following the restoration of civil rule in Nigeria finds its way back in the constitutions. Ostensibly, the essence of the above constitutional provisions is perhaps to make the local government council a tool for rural development in Nigeria since it is very close to the people at the grassroots. Thus, the account is meant to be a mechanism that can implement the notion of “Fiscal Federalism” at local government level in Nigeria.

### **Methodology**

The study adopted qualitative design as its methodology and applied descriptive nature in the application of this research. The data used was generated from the secondary sources. The secondary and documentary source include books, journals, periodicals, monographic seminar papers, conference papers, published and unpublished research books, magazines, internet materials. Others are statutory and recognized international organizations like the National Bureau of Statistics (NBS), Ministry of Local Government Affairs, Revenue Mobilization and Fiscal Commission (RAMFC). Equally, extant literature review was greatly utilized on the subject matter. The secondary data generated were analyzed using content analysis. Content analysis has to do with the rigorous analysis and examination of written records in a critical, analytical, descriptive and explanatory manner so as to make generalization and meaning from such written records and documents. According to Kerlinger (1977), cited in Ebiziem et al., (2020), content analysis is a research technique for objective, systematic, quantitative and qualitative description of the manifest content of communication. The central objective of content analysis is to convert recorded data or information into data which can be treated in a scientific manner so that a body knowledge may be built up.

### **Theoretical Framework**

Many theories can be applied in the study of the analysis of State Joint Local Government Account and implication for rural development. These theories include: cooperative federalism theory, system theory, structural functional theory, among others. However, for the purpose of this work, Elite theory was adopted. The early proponents of Elite theory were, Vilfredo Pareto (1848-1923), Gaetano Mosca (1858-1941), and Robert Michels (1876-1963).

These people were the co founders of Italian school of elitism, which intended subsequent elite theory in western tradition. The basic assumption of this theory is that power is concentrated with the elites are unified, the non elites are diverse and powerless. Elites interact are unified due to common backgrounds and position. The determining characteristics of power is institutional position. The theory further posits that a small minority consisting of members of the economic elite and policy planning networks holds the most power and thus is independent of democratic elections.

Furthermore, Elite theory opposes pluralism (more than one system of power) a tradition that emphasized how multiple major social groups and interest have influence upon and various form of representation within more powerful sets of rulers contributing to decently representation of political outcome that reflect the collective.

The rationale behind the choice of this theory is ostensibly predicated upon the fact that it is most apt or appropriate theory that explains deeply, the problem statement of the study. The application of this theory to the study demonstrate that practical political activities have shown that political power is not distributed equally in any political entity. studies and empirical literature have shown that the essence for the establishment of the State Joint Local Government Account (SJLGA) has been flagrantly abused with impunity and subverted by the activities of the Elites who control and determine power acquisition and utilization, thereby poses a great challenge to sustainable development of the rural areas in Nigeria (Ajayi, 2002).

Again, the utility of this theory is further justified with the focused on the findings on the inevitability of a groups of powerful elites in every large society who use their dominant minorities to influence power, orchestrate mass support and protect their position to the top.

In all, the prescriptions and adoption of the “Elite theory,” contributes to the analysis and understanding of the operations of State Joint Local Government Account (SJLGA) by providing a scientific explanations on the arrangement cum intergovernmental relations among the tiers of government under the federalism system of government.

### **Empirical Review**

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There have been several works by scholarly authors centered on State and Local Government Joint Account and its implication in grass-root development in Nigeria. among the authors are Osaiede & Adesanya (2016), Who investigated Local Government financial autonomy in Nigeria. The study adopted qualitative research design for primary and secondary data used simple frequency, percentage method, Bar-Chart, Chi-Square, non-parameter techniques to analyze the data. A total populations of one hundred and sixty (160) staff of the council was estimated while sample of eighty (80) questionnaires was administered. The study revealed among others that lack of financial autonomy in Nigeria Local Government is hindering effective and efficient service delivery at the grassroots. The study recommended that the state joint local government account system should be abrogated with full financial autonomy be granted.

Similarly, Ojugbali & Ojoh (2014) had an empirical study on the joint account system in Nigeria: problems and prospects which observes that the financial policy experienced challenges and various state governments turned it into more making ventures. The study which employed descriptive survey made use of Face – to – Face interview and questionnaire to generate data. The finding of the study further shows that the joint account was made to forestall possible manipulation, misappropriation and security of Funds for the local governments but the good intention of the policy formulators of the joint account has been detached due to wrong implementations by the state governments.

In the same vein, Nkwagu & Adedoyin (2017) carried out an empirical research on state joint local government account practices and the performance of local government councils in Ebonyi state. The study adopted descriptive survey design and used primary data and structured questionnaire. The data generated was presented and analyzed using tables and T-test, while the hypothesis formulated were tested using binary logistics regression-techniques. Among the findings include that fair distribution of monies at the credit of the state joint local government account. Significantly effect the performance of local government councils in Ebonyi State. The study recommended among others that government should not only put in place the enabling laws that would ensure equitable and fair distribution of monies at the credit of the state joint local government account but also ensure strict and proper implementation of such laws. It is actually interested in the performance of local government councils in Ebonyi state.

Accordingly, Ananti, Onyekwelu & Dike (2021) carried out an empirical study on the effect of local government administration on grassroots development in Anambra state Nigeria. The study adopted descriptive survey design. The tools of analysis were summary statistics and chi-square ( $X^2$ ) inferential statistics. Major finding were that Local Government administration have not be able to significantly provide social services and basic infrastructural facilities due to paucity of funds. The study recommends among others that relevant sections of the constitution which gives the state government unfettered access to local government funds should be amended to free the local government from the grip so that the state government will no longer hid under the guise of state local government joint account arrangement to siphon local government funds.

Nwogwugwu and Olusesi (2015) carried out study on operation of State local government joint account and financial autonomy of local government in Nigeria's fourth republic. The study observes that the wrong arrangement of funds to local government is as a result of quasi-federal political system which characterized domination of lower government by the superior. The study made use of descriptive survey design. The finding of the study further shows that there was evidence of undue access and mandatory deduction from the joint account by the state government. The study concludes that for effective financial autonomy to be achieved in the local governments, the 1999 constitution should amended.

Agbani and Ugwoke (2014) investigated on the State Joint Local Government Account System: Challenge on Rural Development in Nigeria. It reveals that the arrangement served as a means of making mandatory deductions from revenue accruing to the Local Government Councils from Federation Account to the coffers of State Governments. The study adopted survey design in addition to the usage of chi-square test to analyze the hypotheses. The finding of the study further shows that mandatory and excessive deduction of funds from the Local Government Statutory Allocation by the State Government has made rural sustainable development a nightmare. The study concludes that the present method adopted in the JAAC system in Nigeria encourages mandatory deduction from State Joint local government account by the State government. The study further recommends that granting of financial autonomy to the local government councils through the amendment of the conflicting clauses in the 1999 constitution will reduce unnecessary interference to the local government joint account by the state government.

Bello (2013) carried out a study on the State/local Government Joint Account and the challenges of service Delivery in Kaduna State between 1999 and 2007 with a view to ascertaining how the management of the State local government Joint account influences the service delivery functions of the selected local governments in Kaduna State during Chief Olusegun Obasanjo administration as president of Nigeria from 1999 to 2007. The study employed mainly secondary data in the content analysis. The findings of the study among others unveil that the joint account posed very serious challenges to the selected local government during the democratic eight years period of the fourth republic as the State government mismanaged the federal allocations to the these local governments. Based on the findings, the study recommended that the 1999 constitutional review currently going on in the National Assembly should

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abolish or review the provisions of the State Joint Local Government Account system to enable local government access their federal allocations directly.

### **Data analysis and discussion**

To accomplish each of the stated objectives of the study, the study employed a documentary method. Thus, data collected through secondary source were descriptively analyzed using Content analysis.

### **The Operation of the State Joint Local Government Account**

According to Okoli, (2009), the direct funding of the local government which has been the practice, seems to have been jettisoned by the ambiguities in the provisions of the 1999 constitution as far as finances of the local government are concerned. For avoidance of doubt, section 162 sub-sections 3,4,6,7 and 8 of the 1999 constitution made provisions for the financial relationship among the three-tiers of government in the Federation. According to sub-section 3, “Any amount standing to the credit of the federal and State Governments and the local government councils in each state shall be allocated on such forms and in such manner as may be prescribed by National Assembly”. Subsection 5 provides that: “The amount standing to the credit of local government councils in the Federation Account shall also be allocated to the states for the benefit of their local government councils on such terms and in such manner as may be prescribed by the National Assembly”. Sub-section 6 goes on to say that: “Each state shall maintain a special 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”. Subsection 7 insists that: “Each state shall pay to local government councils in its areas of jurisdiction such proportion of its total revenue on such terms and in such manner as may be prescribed by the National Assembly”. Finally sub-section of provides that” “The amount standing to the credit of local government councils of a state shall be distributed among the local government councils of that state on such terms and in such manner as may be prescribed by the House of Assembly of the state”.7. It is clear from the above provisions of section 162 of the 1999 constitution that the financial relationship between local government and other two tiers of government is one of subordination and control.

### **Manipulation on Joint Account system.**

The formulators of the State Joint Local Government Accounts (SJLGA) system have good intention for its establishment but this financial policy played into hands of hawks such that the objectives of the account became defeated as the supervision of the account by the state government provided a vent for manipulation of this account through reduction, delay in release of allocation to councils and diversion of funds into private account (Ojugbeli & Ojoh, 2014)

Shiyanbade (2020) in a study observed that the operations of State Joint Local Government Account as provided by the 1999 constitution leaves much to be desired as state governments in Nigeria have seen this as an opportunity for diverting the local government statutory allocations from the federation account into their own uses carefully hidden under special deductions. He further posited that instead of acting as check to the efficient management of the funds accruing to the local government councils from the federation account, the states are rather deducting local government funds recklessly through the Joint Allocation Committee (JAC) System.

### **Deduction and misappropriation of State Joint Account**

Bello-Imam (1966) affirmed that the anomalous deduction and misappropriation of the council fund by the state government opined that “this is the fact 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 from their respective local government unit”

According to the Nigeria Union of Local Government Employees (NULGE) in their memorandum to the National Assembly Constitution Review Committee (2012), as quoted by Adenji (2013), It was argued and statistically stated that only twenty-two percent (20-25%) of statutory allocation gets to local government council, due to illegal and sundry deductions by state governments. Agu (2007), posited that “Local Government is well funded but unfortunately these resources do not get to them. The flagrant deductions and misappropriation confirms the extent of exploitation by the state government. “He further argued that deduction from the allocation of the local councils constitutes major hindrance to optimum performance.

Equally, Acha (2009), while capturing the findings of the council executives in Abia state asserted that nothing seem to be working at the council because they are either starved of funds or short changed by state government through illegal deductions from their allocation.

In further synthesis, “In Edo State, Otabor (2009), posited that the local government council once embarked on protest and rejected the Allocation from the federation account based on alleged over-deduction by the state government.”

### **Diversion of Local Government Fund**

Aghayere (1997), averred that “State Governments have compounded the financial problem of local government by failing to pass on local governments the federal allocation that has by passed them and provided for by section 149 (5) of the 1999 constitution as amended. In addition, Ojo (2008) in a newspaper captioned

*“ICPC summons commissioners, two others” informed us of how the Ondo State Commissioner for finance, the Accountant-General, Commissioner for local Government and Chieftaincy Affairs were invited by the ICPC in “Connection with the alleged Diversion of N1.2 billion belonging to the 18 local governments Councils in the state”.*

### **Undue engagement of local government into “partnership projects”.**

Infact, the state Government use this as a ploy to siphon the statutory allocation meant for local governments. Most often, local government have been reduced to mere servants or state governments because of the way of Chairman of various Local Government were appointed or selected the state of governments to collect huge amount of money from local government fund, sometimes under the guise that it will be used to execute projects. Apparently, solve of these projects are state government projects but local government is compelled to have a share in the project through an instrument called state local government joint account system (Ayogu etal, 2018).

### **Unrealistic Budgeting and Planning.**

The various deductions of the local government account by the state government monthly affect the local government in Nigeria to make any realistic planning and budgeting. This assertion is in line with the views of Kurfi (cited in Funsho 2013), posits that “local government have become thoroughly underfunded while effective playing and budgeting have become impossible”.

Therefore, the operation of State Joint Local Government Account (SJLGA) has tenaciously resulted inflexibility and uncertainty in the amount of allocation to the various tiers in Nigeria which has made the local government not to be able to plan and implements its budget to effectively. Remarkably, this unrealistic budgeting and planning has resulted to increase in poor infrastructures, low standard of living, low human resources and unmitigated security challenges in the rural areas today.

### **Local Government as appendage than a tier of the Government.**

Similarly, the operations of State Joint Local Government Account (SJLGA) has made the system an appendage to state government. Thus, the issue of the Local Government as a third tier of a federal state is no longer tenable, as it is now a window dressing. Put differently, local government in practice look more like local administration than a level of government (or a tier of the federal state). However, the state joint local government account has made the local government to be a third tier in structure but a mere local administration operationally. Evidently, most of the states in Nigeria found it difficult to conduct local government elections for chairmen and councilors because of their interest and in charge of the state Joint Local government account.

### **Implications of State Joint Local Account (SJLGA)**

Empirical studies of scholars like Okoli (1985), Okafor (2010), Tukur (2004) and Ebiziem (2021) have holistically and comprehensively documented the implications of State Joint Local Government Account (SJLGA) to include the following:

- (i) Fundamentally, the laws made by the State Houses of Assembly to bring the existing and operations of the State Joint Local Government Account (SJLGA) are predominately done to favour the states thereby worsening the financial predicaments of the council.
- (ii) The principal officers to Joint Account Committee were set up by the state government from the state Chief Executives with little or no control from the council chairman who are the statutory owners of the fund as the Chief Account Officers of their various local governments.
- (iii) Ostensibly and painfully observed, most of the local government councils were not even represented in the Joint Account Allocation Committee (JAAC)
- (iv) Again, the council chairmen who are the Chief Accounting Officers of their respective local governments most often were never briefed as to how much occurred to their councils monthly from the federation account before sharing.
- (v) Furthermore, without consultation and specifications, substantial amounts of the allocation from Federation Allocation Account Committee (FAAC) to each of the local government councils were deducted at source in the name of joint projects or any other contrived reasons.
- (vi) Infact, a disturbing and worrisome implication is that the council Chairmen who challenge or protest over the unwarranted deductions from the statutory allocation were threatened and sometimes sacked from their position by the state Governors.
- (vii) In addition, Ezeji (2010) posits that “allowing the State Joint Local Government Account (SJLGA) to still exist is antithetical to the much desired sustainable development at the local government level. “Studies conducted by Ibrahim (cited in F Funsho (2013), Okafor (2010), Chukwu and Ogban (2011) and Ogunna (1996) show that the local Government performances towards service delivery for rural development were very poor as a result of poor performance.

## Conclusion

Local government areas are the third tier administrative structure created in Nigeria to decentralize governance, bring government closer to the people at the grassroots by rendering social services. However, it is saddening to observe that these responsibilities are performed most abysmally because fiscal power is not decentralized but centralized. The operations of the State Joint Local Government Account have been over-manipulated, over-deducted and over-diverted by the State Government and to the detriment of the local government councils.

Specifically, the 1999 constitution as amended that encapsulates State Joint Local Government Account meant as a mechanism to supervise, inspect, audit checks and balances to ensure probity, transparency and accountability in the Local Government Financial activities has been recklessly abused by the State Governments who see local government as a mere appendage of the state.

## Recommendation

Sequel to the foregoing findings, this study puts forward the following recommendations on the principles guiding the operations of State Joint Local Government Accounts arrangement.

First, there is urgent need to ensure that the on-going constitutional amendment takes into cognizance amendment to the provision of section 162 (6-7) of the 1999 constitution which establishes the Joint Account Allocation Committee (JAAC) that is being managed by the state and local Governments in Nigeria to enhance the financial autonomy to local government as a third tier level of government to make them more effective and responsible to grassroots development.

Second, the constitution of the Federal Republic of Nigeria section 7 and the fourth schedule should be amended to give the local government more fiscal autonomy so as to enhance rural development and good governance that will deliver the dividends of democracy to the grassroots.

Third, the anti-graft agencies should be strengthened and reinvigorated by law to monitor the spending of the local government funds by public office holders regularly. This will stimulate and facilitate the needed rural transformation and development.

Finally, there is need to recalibrate and restructure the composition of the Joint Account Allocation Committee (JAAC) to accommodate the local government key officers who are the chief accounting officers and benefactor of the fund in question.

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#### APPENDIX

**Table 1: showing the total deductions at source from LG funds by Borno State Government (March 2002-March 2003) (billions).**

LG	GROSS ALLOCATION	TOTAL DEDUCTION	NET ALLOCATION
Abadam	437.1	165 (37.7%)	272.1
Askira/Uba	504	325 (64.5%)	179
Bama	627	300(47.81%)	327.2
Bayo	390	156 (40.0%)	234
Biu	558.0	303.4 (54.4%)	252
Chibok	361	185.4(51.4%)	175.4
Dambo	632	293 (46.3%)	339
Dikwa	444	207.7 (46.7%)	236.4
Gubio	410	143.1(35.0%)	266.3
Guzamala	420	161.2 (35.0%)	259
Giroza	540	314(58.1%)	226.3
Hawul	550	356(71.2%)	144.2

Jeer	753.2	339.4(45.1%)	414
Kaga	431.2	213.4 (49.5%)	218
Kala Balge	343.1	167.3 (48.8%)	176
Konduga	646.1	293 (45.3%)	353.1
Kukawa	501	207.3 (41.4%)	294
Kwayakusar	364	198 (54.4%)	166
Mafa	419	183 (43.6%)	236.3
Magumeri	487.1	192.4 (39.5%)	295
MMC	993	599.3 (60.0%)	323.4
Marte	457	209 (45.7%)	248
Mobbar	450.3	171 (37.91)	280
Monguno	441	207 (47.0)	234
Ngala	473	212.2 (47.0%)	261
Nganzai	385	150 (38.9%)	235.1
Shani	421	189.1 (44.9%)	232
Total	13388.1	6330.7 (48.4%)	6876.8

Source: Dlakwa (cited in Okafor, 2010:130)

Table 2: Showing the total deduction at source from LG fund by Enugu State Government

Month/LG	Net Allocation	Total Deductions at source	Net Amount Received by LGs
<b>APRIL 2002</b>			
Aniniri	26,5741,156.86	17,143,484.5(65%)	9,430,672.36(35%)
Enugu North	27,870,959.44	24,432,553.59(88%)	3,438,403.85(12%)
Nsukka	33,359,005.33	33,359,005.33 (100%)	0.00(0%)
<b>MAY 2002</b>			
Aniniri	47,636,395.88	37,930,815.03(79.6%)	9,705,580.85 (20.4%)
Enugu North	49,990,512.67	46,192,034.59(924%)	3,798,478.08 (7.6%)
Nsukka	59,976,727.12	59,740,251.45(99.1%)	236,475.69 (0.4%)
<b>APRIL 2003</b>			
Aniniri	42,563,411.82	20,971,204.74(42.3%)	21,592,207.08(50.7%)
Enugu North	48,557,799.86	26,554,763.59(54.7%)	19,003,036.27(39.1%)
Nsukka	53,523,763.46	36,190,424.6(67.6%)	17,33,338.86(32.4%)
<b>DEC. 2003</b>			
Aniniri	46,155,568.48	16,153,504.56(35%)	30,003,055.92(65%)
Enugu North	59,660,428.33	27,708,233.88(46.4%)	31,952,194.45(53.6%)
Nsukka	71,469,961.60	38,725,960.99(54.2%)	32,744.000.61(45.8%)
<b>AUG 2004</b>			
Aniniri	51,398,352.33	24,784,053.8(48.2%)	26,611,298.53(51.8%)
Enugu North	52,188,601.52	32,172,620.43(61.6%)	29,115,786.76(39.4%)
Nsukka	63,659,072.40	43,640,375.21(68.6%)	20,018,697.19(31.4%)
<b>OCX 2004</b>			
Aniniri	50,032,361.87	20,242,031.96(40.5%)	29,790,329.91(59.5%)
Enugu North	56,561,345.01	32,607,600.62(54.6%)	23, 953,744.39(42.4%)

Nsukka	69,078,339.97	26,361,596.66(38.2%)	23,920,059.18(61.8%)
<b>JAN 2005</b>			
Aniniri	59,293,081.01	26,361,596.66(44.5%)	32,931,484.55(55.5%)
Enugu North	67,085,540.66	40,774,125.12(60.8%)	26,311,415.54(39.2%)
Nsukka	82,036,667.9	55,048,175.73(67%)	26,988,492.17(32.9%)
<b>APRIL 2006</b>			
Aniniri	65,542,358.89	30,399,503.15(46.4%)	35,142,855.74(53.6%)
Enugu North	74, 732,2 J 4.04	57,283,437.29(76.77)	7,448, 776. 75(23.3%)
Nsukka	91,030,521.80	58,720,759.03(64.5%)	32,309,762.77(35.5%)
<b>SEPT 2006</b>			
Aniniri	126,209,181.64	94,153,278.66(74.6%)	32,055,902.94(25.4%)
Enugu North	142,827,289.56	118,610,011.4(83%)	24,217,278.12(17%)
Nsukka	174,478,179.81	150,430,810.7(86.2%)	24,047.369.07(13.8%)
<b>JAN 2007</b>			
Aniniri	62,323,331.39	28,687,073.25(46%)	33,636,258.18(54%)
Enugu North	70.576.416.47	43,150,893.87(61.1%)	27,425,522.60(38.9%)
Nsukka	86.203,716.22	58,189,229.87(67.5%)	28,014,486.35 (32.5%)
<b>FEB 2007</b>			
Aniniri	69,172,119.84	48,091,829.69(69.5%)	21,080,292.15(30.5%)
Enugu North	79,037,418.26	65,049,565.09(82.3%)	13,987,853.17(17.7%)
Nsukka	97,842,037.42	86,068,494.51(86.9%)	12,773,542.91(13.1%)

SOURCE: Ogban and Chukwu (2011:529-530)

**Table 3: showing the total deductions of statutory allocation of 23 LGs in Kaduna State in April 2004.**

	Criteria for deduction	Amount deducted
1	Contribution to primary education	316,076,641.40
2	15% pension fund	40,769,185.40
3	Training fund	9,220,841.08
4	Internet connectivity	29,249,641.64
5	Severance allowance	28,133,317.35
6	Fertilizer deduction	167,400,000.00
7	Bank and administrative charges	1,844,168.22
8\8\8\8	Miscellaneous deduction	88,979,643.34
	Total deductions	680,175,438.43
	Total statutory allocations	999,084,103.30
	Total amount received by the LGs	214,908,669.88

Source: (see Kurfi, cited in Funsho, 2013)