THE OPERATION OF STATE JOINT LOCAL GOVERNMENT ACCOUNT (SJLGA) IN NIGERIA: A CRITICAL EVALUATION

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Abstract

This work critically examined the operation of State Joint Local Government Account (SJLGA) in Nigeria. It aimed to ascertain the effects of the operation of SJLGA on local government and identify the factors/ tendencies that necessitated the abuse of SJLGA by state government in Nigeria. Based on the above objectives, this worked adopted secondary sources of data collection and the data were analyzed qualitatively. It was discovered that the operation of State Joint Local Government Account has brought negative effects on local government which include: Loss of autonomy of Local government; excessive deduction of local government allocation; poor performance; underdevelopment; poor planning and unrealistic budgeting etc. And, also it was revealed that the abused of the SJLGA by the state government was necessitated by provisions in the constitution; state government desire for centralization of power; political patronage and encroachment of local government functions by the state government etc. Based on these findings, we recommended for abolition of State Joint Local Government Account through amendment of 1999 constitution; punishment against any abuse of local government account etc.

Keywords: State Joint Local Government Account, Local Government, Statutory Allocation

Introduction

The actualization of national and sustainable development requires effective and efficient local government system. Therefore, to achieve this, the local government needs adequate finance to operate. This is because finance is the live-wire and breathes of any organization or institution. The local government as a third tier of federal state in Nigeria needs to possess adequate autonomy for the discharge of its stipulated functions and responsibilities. And issue of poor finance will automatically undermine its functions and autonomy.

The local government revenue generation for its performance is mainly based on its statutory allocation from federation account. Therefore, this statutory allocation serves as the main base of local government fund in Nigeria. This statutory allocation is not paid directly to the LGA rather through the mechanism of State Joint Local Government Account with the intention to ensure transparency and accountability in Local government system.

The State Joint Local Government Account emerged as a result of 1976 Local Government Reforms which was later enshrined in the 1979 constitution (section 149 (4-5)). During the Babangida's regime, the State Joint Local Government Account was abolished and which ordered for direct payment of federal allocation to the LGs account (Ogunna, 1996). However, the emergence of democratic governance in 1999 re-introduced the State Joint Local Government Account in Nigeria which is stipulated in section 162 sub - section 5 - 8 of 1999 constitution.

The controversies or debates on the issue of State Joint Local Government Account led to the bill sponsored by the former President Goodluck Jonathan for abolition of State Joint Local Government Account which was approved by the House of Representatives by altering section 162 and recommended for replacement of the State Joint Local Government Account with special federal account known as Local Government Council Allocation Account. However, the House of Senate rejected the proposed bill.

This work is set to critically examine the effect of State Joint Local Government Account on local government system and the reasons for the continuous abuse of State Joint Local Government Account in Nigeria.

Problem Statement

Over the years, there have existed a lot of debates on the abolition of State Joint Local Government Account system in Nigeria. There have been a wide spread perception that the State Joint Local Government Account operation is not a good mechanism for sustainable and grass root development and effective performance of LGs in Nigeria. This is because, despite the existence of State Joint Local Government Account there is still the presence of high rate of poor performance and underdevelopment in the LGAs which has generated a lot of concern.

Based on this, this work is intended to make a critical evaluation of the operation of SJLGA in Nigeria since the emergence of democratic governance from 1999.

Objectives of the Study

The main objective of this research work is to critically evaluate the operation of State Joint Local Government Account (SJLGA) in Nigeria. The specific objectives are to:

i. Ascertain the effects of the operation of State Joint Local Government Account (SJLGA) on Local Government system in Nigeria and

ii. Identify those factors that necessitated the abuse of State Joint Local Government Account (SJLGA) by the State Governments in Nigeria

Research Questions

The research questions raised in this work are:

i. What are the effects of the operation of State Joint Local Government Account (SJLGA) on Local Government system in Nigeria?

ii. What are those factors / tendencies that necessitated the abuse of State Joint Local Government Account (SJLGA) by the state governments in Nigeria?

Review of Related Literature

Here, we have to review some of the related works done by some scholars.

Okafor (2010) examines the local government financial autonomy in Nigeria with focus on state joint local government account in Borno State. He viewed that "the operation of the State Joint Local Government Account 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 State Joint Local Government Account is the opposite and that the Borno State governments interfere with the financial autonomy of local government with the mechanism of State Joint Local Government Account which undermines development. He advocated for direct allocation to the LGA and establishment of an independent audit agency to inspect statutory allocations.

Agbani and Ugwoke (2014) posited that the establishment of State Joint Local Government Account was aimed at achieving development at the local communities through adequate supervision and effective management of local government revenue and instead of the State Joint Local Government Account to achieve development, rather it has generated underdevelopment of the local communities as a result of excessive deductions by the state government. They further stated that the method adopted by Joint Account Allocation Committee (JAAC) system gives room for excessive deduction by the state government financial autonomy by amending the constitution and formation of anti-graft agencies. Similarly Ojugbeli and Ojoh (2014) argued that the good intention of the formulator of the State Joint Local Government Account system has been defeated as a result of poor or wrong application of the State Joint Local Government Account which contributed to illegal deduction, diversion and the delay in realization of statutory allocations to the local government. They refer the problem of illegal deduction, delay and diversion of local government fund as the three Ds which constitutes very serious operational problems to the joint account system and which also lowered the local government productivity and development of local communities.

According to Ekwonna (2013) "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."

Agba et al (2014) examine the local government finance in Nigeria and they intended to revisit the sources of local government finance and factors affecting the financial viability of local government councils. They discovered and argued that inadequate and poor budgetary process, low quality of manpower, administrative inefficiency etc are the major factors adversely affecting local government finance. They recommended that the local government should find a better avenue of generating revenue for the development of their areas rather than relying on the statutory allocations which has been further abused by the state government.

Lamdi and Fagbohum (2013) studied the issue of direct revenue allocation to Nigeria local government. They argued that direct revenue allocation to Nigeria local government is very necessary for national development, because it will facilitate promotion of grossroots democracy, promotion of economic development, good governance, accountability and transparency, accessibility to local needs, responsiveness and rural transformation. This means that adequate finance and financial autonomy of local government is required for the achievement of rural, community and national development.

Musa (2011) 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 State Joint Local Government Account 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. In the same vein Eme et al (2013) contended that lack of independence of the local government is as a result of lack of fiscal autonomy. Therefore there cannot be absolute autonomy without fiscal autonomy. They further advocated for diversification for generation of revenue and mobilization, decentralization of fiscal system and revenue of the fiscal dependency of the local government on both federal and state governments.

Coker and Adams (2012) studied the challenges of managing local government finance in Nigeria. They identified issue of lack of qualified staff; lack of accountability, undue interference of state government on local government revenue, poor budgeting, lack of accountability and corruption undermines the effective management of local government finance for development. They recommended for guarantee of financial autonomy to the local government, abolition of State Joint Local Government Account, good leadership, qualified personnel for effective management of local government finance. In similar vein, Nweke (2013) looked at the way of securing local government funds and contended that the local governments funds are not secured because of the way the state government handle their revenue or funds which have made local government to be an object of control and directives transforming them into an extension of state ministry. This unsecured local government funds undermines national development.

After taking time to review the works of some scholars, this work will not only centre on the effect of SJLGA but will also look or identify those factors or tendencies that necessitated the emergence of abuse of SJLGA by the state government in Nigeria.

Theoretical Framework

Theory of Fiscal Federalism

The theory of fiscal federation was developed by Tiebout (1956), Musgrave (1959) and Oates (1972), Davoodi and Zou (1998), Clerk and Van Wincoop (2001). (Nweke, 2010 and Serhan, 2011).

The theory holds that provision of services by sub-national would improve efficiency and welfare if there is adequate allocation of resources. It holds that sub-national government should possess the ability to provide services that match the preferences and circumstances of its constituents (Serhan, 2011). This theory of fiscal federation considers:

i. How best to provide goods and services at the federal, state and local government levels.

ii. How best to finance public spending at the federal, state and local government levels.

iii. How to design a system that imposes hard rather than soft budget constraints on the lower tiers of government.

iv. How best to provide for needs equalization between regions
v. How to design a fiscal federal system that effectively stimulates economic growth (Hallwood and Macdonald, 2011 and Nweke, 2010).

The relevance of this work is to enable us to explain how the operation of State Joint Local Government Account affects the performance of the Local Government in Nigeria. This will explain if the problem of State Joint Local Government Account affects the local government efficiency in delivery of services to its constituent. The local government is the lowest level of government in Nigeria and poor fiscal mechanism or inadequate availability of finance or fund to perform their assigned functions will negatively affect the local government areas in Nigeria.

Effects of the Operation of State Joint Local Government Account (SJLGA) on Local Government in Nigeria

The existence of SJLGA in Nigeria has led to certain effects which include:

1. Loss of local government autonomy: The operation of State Joint Local Government Account has undermined the autonomy of local government. This is because it has made local government to be highly dependent on the state government. This shows that without financial control no level of government will be able to possess full autonomy or independence. It is a known fact that large percentage of the source of local government revenue come from the statutory allocation. And the large deduction of the statutory allocation for the local government by the state government have made local government much dependent on the state government for allocation of funds and execution of capital projects which has contributed to increase in state government control on the local government (Nosiri, 2013). In other words, the control of this huge statutory allocation by the state government makes the state government to intervene in the regulation of local government affairs, making the local governments servants or appendages of the state government (Musa, 2011 and Okafor, 2010).

2. Excessive deduction of local government allocation: The operation of the State Joint Local Government Account has led to high rate of deduction of statutory allocation of the local government by the state government. The state government used the advantage of the State Joint Local Government Account mechanism to illegally deduct and misappropriate the local fund for service delivery. According to Uzondu (2011) "under the state/ local government joint account only salaries and overheads cost of between three to five million naira are released to the local government councils while the bulk of the funds are retained by the state". In the same vein, Acha (cited in Ojugbeli and Oje, 2014) posited that "analyst however contend 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 committee. Some Chief executives cry over illegal deductions from their allocations by the state government." That was why the Edo State Chapter of the Nigerian Union of local government Employees (NULGE) supported the 18 council Chairman's decision to reject allocation of the federal account in May 2009 as a result of over-deduction by the state government (Otobor cited in Ojugbeli and Ojo, 2014). In the same vein, Community Watchdog (2015) reported that President Buhari, queried the Imo State Governor on mismanagement of local government fund from 2011 to 2015 which statistics has estimated about N165 billion at average of N5 billion per local government council.

The tables below, show how state governments deducted the local government statutory account / revenue in Nigeria in different years.

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 (Source)	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	175.4
Damboa	632	293 (46.3%)	339	
Dikwa	444	207.7 (46.0%)	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 (65.0%)	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 (2002-2007).

Month/ LG	Net Allocation	Total Deduction at Source	Net Amount Received by LGs
April 2002			
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%)
May 2002			
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 (54.7%)	3, 798, 403. 85 (12%)
Nsukka	59, 976, 727. 12	59, 740, 251. 45 (99.1%)	236, 475. 69 (0.4%)
April 2003			
Aniniri	42, 563, 411. 82	20, 971, 204. 74 (42.3%)	21, 592, 207. 08 (7.6%)
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 (32.1%)
Dec. 2003			
Aniniri	46, 155, 568. 48	16, 153, 504. 56 (55%)	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%)
Aug. 2004			
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%)
Oct. 2004			
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%)
Jan. 2005			
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%)
April 2006			
Aniniri	65, 542, 358. 89	30, 399, 503. 15 (46.4%)	35, 142, 855. 74 (53.6%)
Enugu North	74, 732, 214. 04	57, 283, 437. 29 (76.77)	17, 448, 776. 75 (23.3%)
Nsukka	91, 030, 521. 80	58, 720, 759. 03 (64.5%)	32, 309, 762. 77 (35.5%)
Sept. 2006			
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%)

Jan. 2007			
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%)
April 2007			
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 earnings and deductions from SJLGA in Rivers State 2007 to 2013.

Local governments (LG)	**Gross Earnings from statutory allocation 2007-2013**	**Total deductions from 2007-2013**	**Net Earnings from JAAC (NEFA)**
Abua/ Odual	11, 150, 109, 127. 33	1, 500, 074, 258. 14	9, 650, 034, 869.19
Ahoada West	8, 829, 188, 476. 01	1, 208, 187, 450. 30	7, 621, 001, 025.71
Ahoada East	10, 503, 160, 931. 20	1, 327, 954, 536. 23	9, 175, 206, 394. 97
Akvikutoru	9, 512, 678, 491. 83	1, 114, 157, 764. 47	8, 398, 520, 727. 36
Andoni	10, 213, 926, 101. 37	1, 286, 788, 700. 11	8, 927, 137, 401. 26
Asari Toru	9, 672, 565, 075. 80	1, 205, 615, 920. 52	8, 466, 949, 155. 28
Bonny	9, 734, 548, 916. 14	1, 032, 015, 658. 46	8, 702, 533, 257. 68
Degema	10, 641, 745, 574. 58	1, 285, 691, 347. 52	9, 356, 054, 227. 68
Eleme	9, 579, 246, 804. 83	1, 133, 364, 879. 61	8, 625, 881, 925. 22
Emoha	9, 709, 139, 755	1, 506, 312, 263. 75	8, 202, 827, 491. 18
Etche	10, 926, 888, 975. 99	1, 667, 629, 506. 22	9, 259, 259, 369. 77
Gokana	10, 237, 777, 925. 81	1, 485, 291, 141. 83	8, 752, 486, 811. 01
Ikwere	9, 535, 626, 424. 33	1, 406, 634, 952. 94	8, 128, 991, 511. 39
Khana	11, 517, 279, 427. 12	1, 772, 215, 818. 24	9, 868, 507, 963. 74
Obio Akpor	13, 715, 279, 989. 20	1958, 563, 198. 24	11,787, 255, 790.72
Ogba/Egbema/Ndo	11, 517, 279, 946. 50	1, 583, 367, 943. 68	9, 933, 912, 002. 82
Ogu/ Bolo	7, 541, 554, 320. 12	878, 631, 916. 71	6, 662, 922, 403. 38
Okrika	10, 243, 792, 427. 12	1, 362, 804, 654. 20	8, 880, 987, 772. 92
Omuma	8, 022, 236, 244. 74	951, 593, 684. 32	7, 070, 642, 560. 42
Opobo/ Nkoro	8, 619, 622, 996. 08	861, 677, 058. 28	7, 757, 995, 292. 29
Oyigbo	8, 166, 951, 375. 51	1, 128, 677, 941. 21	7, 038, 274, 317. 23
Port Harcourt	15, 349, 981, 683. 54	2, 487, 778, 941. 21	12,862, 202, 742.33
TAI	8, 780, 845, 745. 19	1, 065, 835, 411. 47	7, 715, 010, 333. 72
Total	234, 055, 440, 087. 16	31, 210,844, 740.51	202,844,595,346.65

Source: Rivers State Account Allocation Committee report (2013) Ministry of Finance (cited in Agbani and Ugwoke, 2014).

The result from the three tables above shows that there exists a huge deduction of the local government statutory allocation coming from the federal account in Nigeria.

Table 1 shows that 21 local governments in Borno State have experienced a huge deduction of their statutory allocation (from March 2002- March 2003) which ranges from 35.7% and above. It is also observed that during that period 16 local government have experienced 45% deduction and above. Furthermore, we observed that the least total deduction was 35% (in Gubio and Guzamala, local government). In addition, between 2002 and 2003 out of the total amount of revenue allocated to the local government (N13.3bn), the state governments deducted 48.8% of the funds which is almost half of the total revenue allocated to the LGs.

Table 2, made use of the three popular local government (Enugu, Nsukka and Aniniri LGA) in Enugu State and we discovered that the total deduction of the three local government from 2002-2007 is higher in proportion than Borno State. And we discovered that in April 2002, Nsukka local government received no allocation from the state.

In table 3, it shows the total deduction of local government revenue by the state government in Rivers State from 2007-2013. It indicated that the state government deducted 13.33% (N31, 210, 844, 740.51) of the total local government statutory revenue (234, 055, 440, 087. 16) from 2007-2013. It also shows that the deduction in various local government ranges from 10% to more than 16%. The Port-Harcourt LGA suffered the highest deduction (16.2%), followed by Emohua (15.5%) and Ahoada West (13.7%).

So this implies that operation of SJLGA has encouraged a lot of deduction by the state government. The state government made this possible by devising laws and measures to legalize these deductions.

3. Poor performance of local government functions: The practice of the SJLGA practice prevents the local government from rendering effective services to the people; and this pose a major hindrance to performance of local government (Ojugbeli and Ojo, 2014, Asaju, 2010). As the third tier of the federal state, the local government has some functions and responsibilities to perform stipulated in the 1999 constitution. And all these functions cannot be effectively performed without adequate financial base. The huge deductions by the state government have crippled the performance of local government.

4. Problem of development: The operations of State Joint Local Government Account led to the increase in underdevelopment of most local government areas. According to Ezeji (2010) “allowing the State Joint Local Government Account 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 posses a solid financial base.” The hope for rapid and sustained development at the grassroots is a mirage because local government grossly underperforms as a result of the State Joint Local Government Account (Agba et al, 2014; and Moyo and Taiwo, 2011).

5. Problem of accountability: The State Joint Local Government Account has made local government accountability very difficult. The huge deduction and diversion of local government funds has made the local governments unable to explain to the public on how they spent their revenue at any given time, rather the funds are abused for other frivolous issues and personal interest by the state government and other parties. The former Chairman of the Revenue Mobilization allocation and Fiscal Commission (RMAFC) Engr. Elis Mbam viewed that abolition of State Joint Local Government Account will help to ensure transparency and accountability of local government in the country (Newsticker, 2013).

6. Delay/ Withholding of the release of local government allocation: Sometimes the operation of SJLGA leads to delay and withholding of local government funds by the state government. For example, in 2012, the Lagos State House of Assembly directed the state's Commissioner for Finance to stop the payment of the monthly allocation to the local governments. In addition, in April 2002, The Nsukka Local government received zero allocation because the entire statutory fund for the Nsukka LGA was deducted. (see table 2).

7. Diversion of local government allocation: The operation of State Joint Local Government Account has encouraged the practice of diverting the statutory allocation of local government. According to Ojo (cited in Ojugbeli and Ojoh, 2014)

> 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 1.2 billion belonging to the 1.8 local governments' councils in the state.

Furthermore, most of the local government fund has been diverted for personal use. And this pose a great challenge to local government capabilities.

8. Emergence of local government as a mere administration than a tier of the state: The present Nigerian local government in theory or structural arrangement looks like a tier of the state or level of government while in real operation they have become a mere administration or appendage of the state governments. This can be associated with the problem of State Joint Local Government Account operations. Some stakeholders posit that the State Joint Local Government Account has made local government orphans and appendage of various states (Uzondu, 2011). This case makes the state government to prefer the appointment of caretakers or sole administrator to elected LG Chairman and councilors. For example Rev, Oscar Egwuonu was sacked from office because he protested over huge deduction of his LG allocation by the state government (Ogban and Chukwu, 2011).

9. Poor budgeting: 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 account creates a situation of uncertainty on the side of the LG towards making any plan on how to utilize its resources. (Nosiri, 2011). Kurfi (cited in Funsho, 2013) 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.

Factors that Necessitated the Abuse of State Joint Local Government Account (SJLGA) by the State Governments in Nigeria

It has been observed that the state governments have abused the practice SJLGA. And this can be explained based on certain factors/ tendencies:

1. Provisions in the constitution or law: The stipulation of the Nigerian constitution is one of the factors that led to abuse of the State Joint Local Government Account by the state government. This is because section 165 sub sections 5-8 advocated the issue of State Joint Local Government Account which is under the control of the state government. This constitutional provision makes the state government possess the excessive control over the local government on the operation of State Joint Local Government Account by confiscating the huge amount and leave little handouts to the local government (Ekwonna and Nosiri, 2014, and Nosiri, 2013). Olusesi (cited in Uzondu, 2012) contended that the "State Joint Local Government Account is a constitutional license issued to state for corruption through illegal deductions, imposition of unplanned expenditure and unnecessary bottlenecks."

2. Encroachment of local government functions by the state government: The abuse of the State Joint Local Government Account can be as a result of state government encroachment on the function of local government. Most of the revenue yielding functions of local governments are often taken over by the state government. And the state governments use this as excuse or criteria to deduct huge amount from the LG allocations as the plan to finance those functions.

3. Desire for centralization of power: There has been a clear evident that state governments are reluctant to allow State Joint Local Government Account 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 State Joint Local Government Account 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 (Ekwonna and Nosiri, 2014 and Nosiri, 2013).

4. Political patronage: The abuse of State Joint Local Government Account can be associated with the desire to settle some interest groups or stakeholders. The local government allocation has been deducted, devastated etc by the state government to settle few politicians most especially the godfathers. Similarly, Moyo and Taiwo, (2011) argued that local government Chairmen are typically nominated by political parties kingmakers that helped finance their election campaigns and federal allocations to the LG have been used to settle the 'Kingmakers' for supporting their election campaigns.

5. Desire for achievement of uniform development: The state governments maintain that the deduction of SJLGA is based on the desire to achieve uniform development among the LGA. So the effort of the state government to achieve uniform development, necessitate them to highly tamper on the federal allocation meant for the LGA. This high deduction is claimed to finance development projects or programmes on how to solve the problems of development.

Recommendations

Based on our findings, the following recommendations were made.

1. There is need for the abolition of the State Joint Local Government Account. This should be done by amending some of the sections of the constitution (most especially section 162 sub-sections 1 to 6).
2. In a situation where the State Joint Local Government Account cannot be abolished, there is need to adopt a policy or law that will punish any erring state government that abuse the statutory allocation of local government.
3. There should be establishment of independent agencies empowered by the law to inspect the spending of local government fund in order to ensure accountability and transparency.

Conclusion

As far as the constitution recognized the local government as a tier of the federal state, (or level of government) the local government should be given adequate autonomy. The local government cannot function effectively without adequate revenue or finance. So the understanding of how to increase local government financial base requires the need to solve the problem of State Joint Local Government Account which will guarantee local government financial autonomy in Nigeria. This is because the operation of State Joint Local Government Account has adversely affected the local government in Nigeria. This contributed to LG loss of autonomy, poor development, poor accountability, high deduction of allocation, poor planning and budgeting etc.

However, to achieve full autonomy and viability of the local government in Nigeria, there is need for necessary measures to be in place to solve the problems of local government finance and its relations with the state government. If these measures (shown in recommendations) are adequate, it will bring certain benefit as:

1. Enabling the Local Governments to perform its functions effectively by embarking on huge developmental projects or programmes;
2. Enabling the Local Governments to be directly and more accountable to the people of their locality; and
3. Bring full autonomy to Local Governments, which will make them to be really recognized as a tier of the federal state in Nigeria rather than as a structure of the state government.

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