IJAAR PUBLISHING®

Open Access Journal of Management Sciences Research | ISSN: 3027-1975
Vol. 4, Issue 3 (2026) | www.ijaar.org

REVENUE GENERATION ON LOCAL GOVERNMENT ADMINISTRATION: EVIDENCE FROM NJIKOKA LOCAL GOVERNMENT AREA, ANAMBRA STATE

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Abstract
This study examined the effect of revenue generation on local government administration in Nigeria, using Njikoka Local Government Area of Anambra State as the focal point. The study specifically, this study explores the extent to which effective revenue generation influences administrative performance, development outcomes, and service delivery at the local level. A descriptive survey design was adopted, combining both primary and secondary data. E-Questionnaires were distributed among staff of Njikoka Local Government, revenue officers, and community stakeholders, while documentary evidence was sourced from published reports, budgets, and financial statements. The data were analyzed using descriptive statistics and regression analysis to test the relationship between revenue generation and administrative efficiency. Findings revealed that poor revenue mobilization and leakages in local government finance significantly hinder project implementation and service delivery. The study recommends strengthening fiscal autonomy, improving tax collection systems, promoting accountability, and reducing political interference in revenue administration.

Keywords: *Revenue Generation, Local Government Administration, Fiscal Autonomy, Internally Generated Revenue (IGR), Njikoka LGA, Nigeria*

https://doi.org/10.46654/egsm9w63

Introduction

Nigeria's local government system has progressed through multiple phases of reform throughout history. The 1976 Local Government Reform during General Olusegun Obasanjo's military regime set the groundwork for a standardized local government system across the country. This reform established the principle of direct funding from the Federation Account to local councils, guaranteeing financial acknowledgment within the federal framework. Later reforms in 1988, 1991, and 1999 enhanced the independence and financial duties of local authorities. The necessity for consistent development, enhancing citizen involvement, and promoting government accountability led to the establishment of local government. Local Government serves as an administrative unit globally and is an essential level of government due to its closeness to the citizens (Agagu, 2004 in Arum, 2025). In Nigeria's federal system, local government constitutes the third level of governance, aimed at facilitating development in the community. The core idea behind establishing local governments was to decentralize administrative tasks, improve grassroots involvement, and speed up socioeconomic change at the community level. To accomplish these goals, local governments need stable financial resources to support development initiatives and sustain public services. (Udoka & Pillah, 2025)As stated by Ibe (2023), Local government functions at the most basic tier of human society and engages at the grassroots level, impacting people's daily lives. This is due to the fact that no other level of government, whether federal or state, is as close to the citizens as local government. Uhunmwuangho and Aibieyi (2013) accurately noted that 70% of the Nigerian populace resides in the local government areas, thus it has the duty to express their needs and outline the processes and methods to achieve them.

Nonetheless, in spite of constitutional assurances, the financial stability of the majority of local governments has continued to be fragile. The 1999 Constitution (Section 162) acknowledges the legal allocation of funds from the Federation Account to the 774 local councils, but the ongoing joint account setup with state governments frequently results in fund misappropriation and diminished transparency. As a result, local authorities remain dependent on federal funding instead of building strong internal revenue streams. (Eze, 2023)The difficulty of inadequate revenue generation is not just a monetary concern; it signifies a larger governance issue that impacts planning, staffing, and the sustainability of public infrastructure. In the absence of reliable income sources, local authorities find it difficult to uphold road infrastructure, provide healthcare, compensate employees, and continue educational initiatives. Consequently, revenue generation functions as a financial and administrative foundation for the sustainability of local government systems.

Every organization or government requires sufficient revenue flow to fulfill its obligations to the public or to clients. Numerous local governments in Nigeria continue to be underdeveloped despite being the third level of government (Arum, 2025). This is illustrated in part by insufficient poor roads, healthcare facilities, clean water, quality schools, organized marketplaces, and bus stations. Ola and Tonwe (2005) accurately argue that insufficient funding has consistently been one of the key issues that obstruct local governments in carrying out their duties in the nation. Local governments in Nigeria received constitutional support to obtain a designated share of funds from the federation account, while the states are also required to contribute a portion of their internally generated revenue. The local governance structure in Nigeria has, over the years, faced significant financial constraints, leading to its inability to deliver the necessary infrastructure development in local government areas (Odoemene, 2020).

The primary role of the government is ensuring safety and delivering welfare services to its citizens. These roles cannot be accomplished without funds. The constitution has authorized

governments at every level to collect revenue. As the government produces more revenue, additional projects are launched, increasing the money in circulation, which boosts the chances for job creation and economic expansion. Okereke and Olewe (2023) emphasize that local government finances need to be strengthened both from within and outside to reach the goals of rural development and to guarantee efficient and effective administration of local government. Adedokun (2012) accurately suggests that a continual challenge for local government is the reduction of revenue available to them and poor resource management, as illustrated by yearly deficits and insufficient funds for significant growth and viable project advancement. Empirical data from the National Bureau of Statistics (NBS, 2022) indicates that over 70% of local governments in Nigeria obtain more than 85% of their overall revenue from statutory allocations, whereas under 15% is sourced internally. This disparity restricts financial independence and adaptability in tackling community needs. These problems together weaken the council's capacity to operate as a driving force for local development. As a result, the connection between generating revenue and efficient management is not only theoretical but also a pressing practical concern. Without overhauling revenue systems, the objectives of local governance—transparency, efficiency, and grassroots development—stay unreachable. The main aim of this research is to investigate the impact of income generation on local government management in Njikoka Local Government Area of Anambra State. The specific objectives are to:

1. Find the effect of internally generated revenue on the quality of service delivery in Local Government areas of Anambra state.
2. Assess the extent to which revenue generation enhances financial autonomy and budget implementation in local government area of Anambra state.
3. Determine the effect of revenue generation on administrative performance in local government areas of Anambra state.

Review of Related Literature

Revenue Generation

Revenue generation denotes the method by which government entities gather financial resources through diverse channels to support their operations and developmental initiatives. As stated by Olaoye and Oyedele (2018), revenue generation includes all initiatives by governmental bodies to raise funds via taxation, levies, and non-tax avenues within their area. Within local government, generating revenue is not merely an economic function but a constitutional duty. Adewale (2020) argues that local governments need to produce their own revenue to complement federal and state funding, thereby ensuring sustainable governance. Internally generated revenue (IGR) often comes from tenement rates, licenses for businesses, fees from markets, levies on motor parks, taxes on property, and penalties. Nonetheless, obstacles like ineffective tax administration, corruption, inadequate record-keeping, and low public adherence impede successful revenue collection. Ezeani (2019) noted that in several Nigerian LGAs, more than 60% of potential revenue is forfeited due to informal collection methods and unapproved agents. Therefore, effective revenue generation necessitates clear policies, contemporary collection methods, and civic accountability. Local government administration denotes the system by which the third tier of government executes policies and provides vital services to citizens at the community level. The Constitution of the Federal Republic of Nigeria (1999, as amended) describes local government as a political and administrative entity authorized to handle local matters and deliver services like education, healthcare, infrastructure, sanitation, and markets. Numerous local governments are situated in rural areas and consequently have a limited ability to generate revenue internally. We anticipate that Local Government ought to serve as the driving force for Local economies;

however, the overwhelming control of revenue from the federation account by state and federal governments does not reflect a true commitment to empowering Local Government to fulfill the significant expectations of our populace (Amah, 2023). Agagu (2018) describes local government as the instrument for translating national development plans into concrete grassroots outcomes. Its administrative structure includes departments of finance, health, works, education, agriculture, and social services. The efficiency of these departments largely depends on the availability of adequate funds.

In Nigeria, local governments are expected to act as catalysts for rural transformation. However, their performance has been constrained by limited fiscal autonomy, inadequate funding, and excessive state government control. Okafor and Uche 2021) argue that local governments can only fulfill their constitutional responsibilities when they have access to stable and predictable revenue sources.

Poor enforcement, inadequate manpower, and weak fiscal discipline limit their contribution to total revenue.

Importance of Revenue Generation in Local Government

The importance of generating revenue cannot be emphasized enough. It serves as the foundation of community governance and growth. Nwosu (2018) states that even the most effective administrative systems will collapse without sufficient funding. Income allows councils to compensate employees, upkeep infrastructure, and provide social services. Adepoju and Lawal (2022) emphasize the essential functions of efficient revenue generation: Service Delivery: Guarantees access to clean water, medical care, and schooling. Economic Development: Generates jobs via community initiatives and investments. Administrative Stability: Allocates resources for wages, operations, and logistics. Fiscal Independence: Decreases reliance on upper levels of government. Responsibility and Openness: Promotes prudent financial stewardship via budget oversight. In Njikoka, the inability to generate adequate revenue directly impacts road upkeep, waste disposal, and community development initiatives. Thus, enhancing revenue generation is vital for meeting the goals of local government administration.

Empirical Review

Eze (2018) examined the connection between fiscal independence and the efficiency of local governments in Nigeria. Fiscal autonomy allows local governments to: Create their own income (e.g., taxes, charges, fees). Regulate the allocation of funds without intrusion from state authorities. In Nigeria, local governments are constitutionally acknowledged; however, in reality, they rely significantly on federal government allocations. State governments frequently manage or restrict these resources via systems such as the State Joint Local Government Account. The abstract contends that: This absence of financial autonomy undermines local administrations. The research examines the ways in which Information and Communication Technology (ICT) can enhance income generation and foster innovation in the administration of local governments in Nigeria. Local governments in Nigeria encounter significant issues like: ineffective manual revenue collection methods, corruption and revenue losses, inadequate record-keeping, and low internally generated revenue (IGR). Uzor (2021) analyzed the issues of revenue generation in Ikwuano Local Government Area, concentrating on pinpointing the major obstacles that impede efficient revenue mobilization at the community level. The study is based on the essential importance of revenue generation for the survival, administrative effectiveness, and developmental capability of local governments in Nigeria. Employing a survey research approach, the research incorporates primary and secondary data sources. Primary data were gathered by distributing structured

questionnaires to local government personnel, revenue officers, and various stakeholders, whereas secondary data were sourced from official documents, reports, and current literature. The gathered data were examined through descriptive statistical methods to evaluate patterns and trends in revenue generation activities. The study's results indicate that local governments encounter considerable difficulties in raising sufficient funds to fulfill their developmental responsibilities.

Aryeni and Omodero (2022) explored the impact of tax revenue on Nigeria's economic growth, focusing on how government revenue contributes to fostering sustainable national development. The research employs a quantitative approach, using secondary data sourced from official institutions like the Central Bank of Nigeria (CBN) and the National Bureau of Statistics (NBS). The information encompasses a defined time frame and features essential variables like components of tax revenue (such as corporate income tax, petroleum profit tax, and value-added tax) as well as measures of economic growth, especially gross domestic product (GDP).The research revealed that enhancing tax systems and refining revenue collection methods are vital for attaining sustained economic growth and development. It suggests policy changes focused on improving tax compliance, expanding the tax base, and strengthening institutional capabilities for revenue management. These actions are crucial for guaranteeing that every tier of government, including local authorities, can successfully harness resources for developmental aims. Abata and Suarau (2022) investigated the diminishing revenue sources of local governments in Nigeria and the effects on socio-economic progress, specifically concentrating on certain local government areas within Lagos State. The study is driven by rising worries regarding the local governments' failure to efficiently provide vital public services because of declining internally generated revenue and mounting financial limitations. Employing an explanatory research approach, the research makes use of secondary data represented by panel and time-series datasets spanning the years 2016 to 2020. The information was obtained from financial reports issued by the government, budget documents, and pertinent publications from institutions. The research specifically examines the link between income generation and essential development metrics, such as primary healthcare services and educational advancement, while also considering how administrative spending influences these results. Using econometric and statistical analytical techniques, the study establishes that a decline in revenue generation significantly undermines development outcomes at the local government level. The findings indicate that insufficient revenue negatively affects the provision of basic healthcare services and the quality of primary education, thereby limiting grassroots development. The study further reveals that internally generated revenue plays a crucial role in enhancing the capacity of local governments to fund developmental projects and improve service delivery.

Olugboyega (2022) examines the connection between income generation and service provision in chosen local government regions in Lagos State, Nigeria. The study is based on the vital function of local governments as the nearest level of administration to the populace, tasked with offering essential public services like road upkeep, waste disposal, primary healthcare, and fundamental education. Employing a quantitative research framework, the research makes use of both primary and secondary data sources. Primary data were gathered using structured questionnaires given to local government employees and community members, whereas secondary data were sourced from official financial documents and government publications. The results indicated that while local governments can tap into various revenue sources, these sources remain mostly underused because of administrative inefficiencies, corruption, insufficient monitoring systems, and ineffective revenue collection methods. The research further confirms a strong positive correlation between revenue

generation and service provision, showing that a rise in internally generated revenue greatly boosts local governments' capacity to deliver essential services and enhance residents' welfare. Sabo and Utulu (2023) analyzed how institutional frameworks influence regulatory efficiency and revenue generation systems in Nigeria. The study is motivated by increasing worries that fragile institutional frameworks have persistently hindered efficient revenue generation and financial management, especially within local government. Utilizing a qualitative research methodology, the study focused on institutional analysis and secondary data sourced from governmental reports, policy papers, and current literature concerning public sector regulation and revenue management. The emphasis is on assessing the impact of institutional factors like governance systems, legal structures, regulatory bodies, and administrative capability on revenue collection and compliance. Ogaluzor and Ipeghan (2023) examined how internally generated revenue (IGR) influences the administrative efficiency and financial sustainability of local government councils in Nigeria. The study examines the connection between revenue generated internally and the execution of capital projects, along with its effects on transparency and accountability in local governance. Results from the study indicate that a rise in internally generated revenue greatly improves the capacity of local governments to start and finish capital projects like road building, healthcare centers, and educational infrastructure. The research also shows that councils with robust revenue foundations exhibit enhanced fiscal discipline, better budget execution, and increased accountability in managing resources. Anyadike (2020) examines how internally generated revenue (IGR) contributes to economic development in Nigeria. The research emphasizes the significance of IGR as a reliable funding source for government operations, especially amidst varying federal distributions. Using a quantitative research approach, the research employs secondary data sourced from government financial documents and national statistics. Statistical methods like regression analysis are utilized to analyze the correlation between IGR and indicators of economic development. The results suggest that revenue generated within the organization positively and significantly influences economic growth. The research indicates that states and local governments possessing greater IGR capacity can more effectively deliver infrastructure and social services. Bello (2020) investigated how corruption affects revenue generation within local government administration in Nigeria. The study examines how financial losses, fraud, and insufficient accountability mechanisms diminish the efficiency of revenue collection. Employing a qualitative methodology, the research depends on secondary data and case analyses from chosen local administrations. The examination reveals trends of corruption and their effects on financial oversight. Results indicate that corruption greatly diminishes internally sourced revenue and erodes public confidence in government organizations. Revenue losses were recognized as a significant obstacle to efficient service provision. Fatile (2020) analyzes the connection between revenue management and the effectiveness of local governments in Nigeria. The research highlights that efficient revenue management is vital for enhancing governance and service provision. The research employs a mixed-method strategy, integrating primary data from surveys alongside secondary data from official documentation. Data analysis is performed utilizing both descriptive and inferential statistics. The results indicate that effective revenue management greatly improves the performance of local governments, especially in terms of infrastructure development and the delivery of public services. Nonetheless, inefficiencies in tax revenue collection and inadequate administrative capabilities restrain performance. Udeh (2021) explored the difficulties and opportunities for generating revenue in local governments in Nigeria. The research utilizes a mixed-method strategy, integrating surveys, interviews, and analysis of secondary data. Results indicate that revenue generation is limited by issues like insufficient manpower, low tax compliance, ineffective administrative systems, corruption, and absence of modern revenue collection technologies. Notwithstanding these

difficulties, the research highlights notable chances for enhancement via reforms including the digital transformation of revenue systems, skill development, and policy changes. The research finds that with appropriate technological and institutional measures, local authorities can greatly strengthen their revenue sources and boost development results.

Ibe (2023) critically examined the challenges and prospects of revenue generation within Nigeria's local government system, focusing on structural and institutional constraints. The study adopts a descriptive desk research approach, relying on secondary data sources such as academic journals, government reports, policy documents, and textbooks. Anchored on the Resource Mobilization Theory, the research conceptualizes revenue generation as a function of institutional capacity and governance efficiency.

Methodology

The study adopts a descriptive survey research design. This design is appropriate for gathering data directly from respondents or a population to describe existing conditions, opinions, or behaviors related to revenue generation and local Government administration.

Population of the Study

The study population includes employees of Njikoka Local Government Council, specifically those in departments associated with revenue and administration. These consist of: Finance Division, Revenue sector, Budget and Planning Division, Administrative Division, Market associations, and business delegates. The projected population consists of 312 participants, allocated as detailed below:- Finance Division: 82 personnel, Administrative Division: 70 employees, Department of Budget and Planning with 60 personnel, Revenue department with 50 employees. Associations of the market and representatives from businesses, 50 individuals. This thorough coverage guarantees that insights are gathered from both internal and external parties who directly impact or experience Local Government revenue and administration procedures.

Sample Size and Sampling Technique

A sample size of 175 respondents was selected from the total population using a statistical formula such as Taro Yamane's formula:

$n=N/(1+N(e)^{'2})$

Where:

n = sample size

N = population size (312)

e = level of significance (0.05)

$$N=\frac{312}{(1+312(0.05)^2)}=175$$

Hence, a sample size of 175 respondents was selected.

The study adopts a stratified random sampling technique, ensuring fair representatives of each department and stakeholders groups. This approach ensures that data collected reflects the diverse perspectives of revenue administrators, staff and the local communities. Every member of the population has an equal chance of being selected. This method helps to eliminate bias and ensures representativeness.

Sources of Data

Two main types of data were used for this study. The study uses both:

Primary Data: Structured e-questionnaires administered to staff.

Secondary Data: The secondary data were drawn from official documents such as annual financial statements, budget reports, revenue ledgers, and publications from the National Bureau of statistics (NBS), office of the Auditor General for Local Government and the central Bank of Nigeria (CBN.)

Method of Data Collection

Primary Data were obtained from respondents through e-questionnaires and oral interviews. The e- questionnaire was divided into sections to capture demographic information, revenue sources, administrative processes, challenges, and perceived impacts on service delivery. Interviews were also conducted with key officials, including the Head of finance, the Administrative secretary, to gain deeper insights into internal control mechanisms and challenges.

Instrument for Data Collection

The main instrument used was an e-questionnaire designed based on the study objectives, using a Likert scale format, such as:
Strongly Agree (5)
Agree (4)
Neutral (3)
Disagree (2)
Strongly Disagree (1)

The e-questionnaire comprised 30 items arranged in five sections, covering demographic data, types of revenue sources, administrative practices, challenges, and performance indicators. This format facilitates quantitative analysis and helps determine the strength of respondents' options. An interview guide was also prepared for senior officials to allow open -ended discussions.

Procedure for Data Analysis and Model Qualification

Data collected were analyzed using both descriptive and inferential statistical techniques. Descriptive statistics (frequencies, percentages, mean scores) were used to summarize responses. This provides a clear understanding of respondents' opinions on revenue generation and Administrative performance in the local Government. To examine the relationship between the variables the Pearson Product Moment Correlation Coefficient (PPMC) was used.

The Pearson correlation formula is given as
r = n Where:
r = Correlation coefficient.
X = Revenue generation
Y = Local Government administration
n = Number of observations.
The value of ranges from -1to +1
Where
+1 indicates a perfect positive relationship.
-1 indicates a perfect negative relationship.
0 indicates no relationship.

Furthermore, simple linear regression analysis was employed to determine the effect of revenue generation on local government administration. This will help to establish whether changes in revenue generation significantly influence administrative performance. The

decision rule is that the p-value will be compared with the 0.05 level of significance. If the p-value is less than 0.05, the null hypothesis will be rejected; otherwise, it will be accepted.

Model Specification

To empirically examine the effect of revenue generation on local government administration in Njikoka Local Government Area, the study adopts a functional model expressed as: This is specified econometrically as:

LGA=f(RG)

Where: LGA = Local Government Administration (measured by service delivery, financial autonomy and budget implementation, performance, transparency and accountability, and efficiency)

RG = Revenue Generation (measured by internally generated revenue such as taxes, levies, rates, and fees)

β_0 = Constant term

β_1 = Coefficient of revenue generation

μ = Error term A Priori Expectation

This implies that revenue generation is expected to have a positive and significant effect on local government administration.

Justification of Methods

The method is appropriate because: It clearly explains the cause-and-effect relationship between revenue generation and administrative performance It aligns with empirical literature in public finance and local government studies It is suitable for quantitative analysis using survey data It allows for both relationship testing (correlation) and impact analysis (regression)

Decision Rule

For Pearson Correlation:

If p-value < 0.05 → Significant relationship exists If p-value > 0.05→ No significant relationship

For Regression Analysis: If p-value < 0.05 → Reject H_I (significant effect exists) If p-value > 0.05 → Accept H_O (no significant effect)

Data Analysis and Interpretation

Out of the 175 questionnaires distributed, 162 were properly completed and returned, representing a 92.6% response rate, which is considered adequate for analysis

Analysis of Research questions

Research Question 1: What is the effect of internally generated revenue on the quality of service delivery in Local Government Areas of Anambra State?

Table 1: Summary of respondents' perceptions of the effect of Revenue Generation on the quality of service delivery.

SN	Effect on Service delivery	SA (5)	A (4)	N (3)	D (2)	SD (1)	Mean score
1	The local government provides adequate and accessible health facilities.	98	47	7	5	5	4. 40
2	There has been a visible improvement in road maintenance/infrastructure in the last two years.	89	50	10	9	4	4.32
3	Environmental sanitation and waste management services are efficient.	76	53	15	10	8	4.09
4	Primary schools within the local government are well-maintained and funded.	64	57	20	13	8	3.94
5	The local government provides adequate and accessible health facilities.	59	60	19	13	11	3.83
6	There has been a visible improvement in road maintenance/infrastructure in the last two years.	42	49	28	24	19	3.35
7	Increased IGR collection directly corresponds to improved community infrastructure development.	88	57	5	7	5	4. 33
8	Effective IGR collection has led to growing or improved quality of public services.	90	42	15	5	10	4. 22
9	The local government is able to deliver better services due to increased financial autonomy through IGR.	95	50	7	5	5	4. 39
10	Adequate funds from IGR have enabled the swift resolution of maintenance issues in public facilities.	93	45	10	7	7	4. 23
11	The level of internally generated revenue directly impacts the quality of services provided.	64	57	20	13	8	3.94
12	The LGA relies mostly on State/Federal allocations (not IGR) for its capital projects.	70	51	19	12	10	3.83
13	Improved revenue generation has led to a significant increase in rural infrastructure in this LGA.	42	49	28	24	19	3.35
14	Weak financial autonomy undermines the ability to use local revenue for local service delivery	87	57	5	8	5	4. 33
15	The level of internally generated revenue directly impacts the quality of services provided.	80	52	15	7	8	4. 22
	Grand total = 2,430	**1137**	**776**	**223**	**162**	**132**	

Source: Researcher's compilation, 2026

Results from the above table reveal that internally generated revenue has a significant impact on the quality of service delivery in the Local Government Areas of Anambra State. This is demonstrated by the reactions to the points mentioned earlier. The respondents agree that local government offers sufficient and reachable health services (mean=4.40), greater IGR collection is directly linked to better community infrastructure development (4.33), greater IGR collection correlates with enhanced community infrastructure development (4.33), the extent of internally generated revenue directly affects service quality (3.94), and so forth. This reinforces Fiscal Federalism and Public Finance Theories, which claim that financial autonomy results in improved service provision.

Research Question 2: To what extent does revenue generation enhance financial autonomy and budget implementation in Local Government Areas of Anambra State?

Table 2 Respondents' perception on whether revenue generation enhances financial autonomy and budget implementation

SN	Effect on financial autonomy and budget implementation	SA (5)	A ($)	N (3)	D (2)	SD(1)	Mean score
1	The council independently determines how its revenue is spent	101	49	4	5	3	4. 48
2	The council has full control over its internally generated revenue	92	52	9	6	3	4.38
3	Revenue allocation decisions are made without external influence.	78	60	10	8	6	4.20
4	State government interferes with council revenue decisions	86	55	11	7	3	4.33
5	The council independently determines how its revenue is spent	90	53	10	6	3	4.34
	Grand total = 810	**447**	**269**	**44**	**32**	**18**	

Source: Researcher's Compilation

The results indicate a strong positive consensus among the respondents that revenue generation enhances financial autonomy and budget implementation in Local Government Areas of Anambra State. Respondents overwhelmingly agreed to this fact as can be seen from the table above. All the responses from the items in the table above show a mean score of 4.20 and above.

Research Question 3: How does revenue generation affect administrative performance in local government areas of Anambra state?

Table 3: Respondents' perception on the effect of revenue generation on administrative performance

SN	Effect on administrative performance	SA (5)	A (4)	N (3)	D (2)	SD (1)	Mean score
1	The local government has a clearly defined and active revenue department.	106	39	8	6	3	4. 47
2	Revenue collection methods in this local government are automated (e.g., electronic invoicing/payment) rather than manual.	101	42	6	8	5	4. 40
3	Adequate revenue generation directly causes high performance in project execution..	95	46	10	7	4	4.37
4	There is high compliance in the payment of tenement rates and market fees by the public.	84	53	13	8	4	4.28
5	Revenue collectors are well-motivated and compensated, reducing the temptation for bribery.	77	51	19	9	6	4.11
6	The local government actively updates its database of taxpayers annually.	69	54	20	13	6	3.97
	Grand total= 972	**532**	**285**	**76**	**51**	**28**	

Source: Researcher's Compilation, 2026

Respondents confirmed as can be seen from the table above that revenue generation affects administrative performance in local government areas of Anambra state. All the responses on the items on this issue show a mean score of 3.97 and above. Therefore, we accept that revenue generation affect administrative performance in local government areas of Anambra state.

Hypothesis Testing

In this section, the hypotheses formulated for this study was tested using Chi-square technique. The chi-square test was done to test the difference between the observed frequency distribution of responses and the expected frequency.

Formula for the tool

The formula for the Chi-square technique of data analysis is reproduced below:

$$x2 = \frac{(oi - ei)^2}{ei}$$

Where:

x^2 = Calculated Chi-square value
oi = Observed frequency of response
ei = Theoretical expected frequency of responses
d.f = Degree of freedom
t = Table value

The degree of freedom is given by (c – 1) (r – 1) since it is only one column and 5 rows, D.F = k-1

Where:

K =5 -1 = 4

A level of significance of 5%

Decision Rule

If the calculated value of Chi-square (x2) is higher than the table value, we reject the null hypothesis (H:O) otherwise we accept the Alternative Hypothesis (H:1).

Accept HO, if C.V < T.V - - - - - (1)
Reject H1, if C.V > T.V - - - - - - (2)

Where;

C.V. = Calculated Value
T.V = Table Value

Test of Hypothesis One

Ho1: Revenue generation has no significant effects on the quality of service delivery in Local Government areas of Anambra state.

The responses on table 1 were used to test this hypothesis

Total Respondents: 2430 responses over 15 items.

Table 4: Summary of Observed Frequencies (ei)

Category	SA	A	N	D	SD	Row Total
Total Counts	**1137**	**776**	**223**	**162**	**132**	**2430**

Number of categories = 5 (SA, A, N. D, SD)

$$\text{EXPECTED FREQUENCY (eI)} = \frac{\text{grand total}}{\text{No. Of categories}} = \frac{2{,}430}{5} = 486$$

Table 4a. Computation of Chi-Square

Options	Observed frequency (0i)	Expected frequency (ei)	$\frac{(oi - ei)^2}{ei}$
SA	1137	486	827.02
A	776	486	173.05
N	223	486	142.32
D	162	486	2I6
SD	132	486	257.85
TOTAL		486	1616.24

D,F = 5-1 = 4
Significant level (α) =0.05
Critical table value (X^2) =(4, 0.05) = 9.488

Since the calculated X^2 value (1616.24) is significantly greater than the table value (9.488), we reject the null hypothesis which states that revenue generation has no significant effects on the quality of service delivery in Local Government areas of Anambra state and accept the alternative hypothesis and therefore concludes that revenue generation has significant effects on the quality of service delivery in Local Government areas of Anambra state.

Result Interpretation:
There is a statistically significant relationship between revenue generation and the quality of service delivery in local government areas of Anambra State. Based on the high mean scores in the table (mostly above 3.5), it can be concluded that increased revenue generation directly and positively influences the improvement of services and infrastructure.

Test of Hypothesis Two
Ho_2: Revenue Generation does not enhance financial autonomy and budget implementation in local government areas of Anambra State.

The responses on table 2 were used to test this hypothesis using chi-square statistics.

Total Respondents: 810 responses over 5 items
Table 5: Summary of Observed Frequencies (ei)

Category	**SA**	**A**	**N**	**D**	**SD**	**Row Total**
Total Counts	**447**	**269**	**44**	**32**	**18**	**810**

Number of categories = 5 (SA, A, N. D, SD)
EXPECTED FREQUENCY (eI) = $\frac{\text{grand total}}{\text{No. Of categories}} = \frac{810}{5} = 162$

Table 6: Computation of Chi-Square

Options	Observed frequency (0i)	Expected frequency (ei)	$\frac{(oi - ei)^2}{ei}$
SA	447	162	483.95
A	269	162	70.67
N	44	162	85.95
D	32	162	104.32
SD	18	162	128
TOTAL		162	**872.89**

D,F = 5-1 = 4
Significant level (α) =0.05
Critical table value (X^2) =(4, 0.05) = 9.488

Since the calculated X^2 value (872.89) is significantly greater than the table value (9.488), we reject the null hypothesis which states that revenue generation does not enhance financial autonomy and budget implementation in Local Government areas of Anambra state and accept the alternative hypothesis and therefore conclude that revenue generation enhances financial autonomy and budget implementation in Local Government areas of Anambra state.

Result Interpretation:
There is a statistically significant relationship between revenue generation and financial autonomy and budget implementation in Local Government areas of Anambra state Based on the high mean scores in the table (mostly above 3.5), it can be concluded that increased revenue generation directly and positively influences the improvement of financial autonomy and budget implementation.

Test of Hypothesis Three
Ho_3: There are no significant effects of Revenue Generation on administration performance of Local Government areas of Anambra state.

The responses on table 7 were used to test this hypotheses

Total Respondents: 972 responses over 6 items.
Table 7: Summary of Observed Frequencies (ei)

Category	**SA**	**A**	**N**	**D**	**SD**	**Row Total**
Total Counts	**532**	**285**	**76**	**51**	**28**	**972**

Number of categories = 5 (SA, A, N. D, SD)
Expected Frequency (eI) = $\frac{\text{grand total}}{\text{No. Of categories}} = \frac{972}{5} = 194.4$

Table 7: Computation of Chi-Square

Options	Observed frequency (0i)	Expected frequency (ei)	$\frac{(oi - ei)^2}{ei}$
SA	532	194.4	586.28
A	285	194.4	42.22
N	76	194.4	72.11
D	51	194.4	105.78
SD	28	194.4	142.43
TOTAL			**948.82**

D,F = 5-1 = 4
Significant level (α) =0.05
Critical table value (X^2) =(4, 0.05) = 9.488

Since the calculated X^2 value (948.82) is significantly greater than the table value (9.488), we reject the null hypothesis which states that There are no significant effects of Revenue Generation on administration performance of Local Government areas of Anambra state, accept the alternative hypothesis and therefore concludes that There are significant effects of

Revenue Generation on administration performance of Local Government areas of Anambra state.

Result Interpretation:
There is a statistically significant relationship between revenue generation and the quality of service delivery in local government areas of Anambra State. Also, based on the high mean scores in the table (mostly above 3.5), it can be concluded that increased revenue generation directly and positively influences the administration performance

Discussion of Findings
After the analysis and testing of hypotheses, in the first hypothesis, the calculated X^2 value (1616.24) is significantly greater than the table value (9.488) and the null hypothesis which states that revenue generation has no significant effects on the quality of service delivery in Local Government areas of Anambra state was rejected and the alternative hypothesis that revenue generation has significant effects on the quality of service delivery in Local Government areas of Anambra state. There is a statistically significant relationship between revenue generation and the quality of service delivery in local government areas of Anambra State. Based on the high mean scores in the table (mostly above 3.5), it can be concluded that increased revenue generation directly and positively influences the improvement of services and infrastructure.

In the second hypothesis, the calculated X^2 value (872.89) is significantly greater than the table value (9.488), also, the null hypothesis which states that revenue generation does not enhance financial autonomy and budget implementation in Local Government areas of Anambra state was rejected and the alternative hypothesis that revenue generation enhances financial autonomy and budget implementation in Local Government areas of Anambra state was accepted. This also corresponded with the mean score of 4.20.

In the third hypothesis the calculated X^2 value (872.89) is also significantly greater than the table value (9.488). The null hypothesis which states that revenue generation does not enhance financial autonomy and budget implementation in Local Government areas of Anambra State was rejected as well and accept the alternative hypothesis that says that revenue generation enhances financial autonomy and budget implementation in Local Government areas of Anambra state. This also confirmed the mean score of 3.97 and above.

Conclusion and Recommendations
The results indicate that effective revenue generation is crucial for the proper management of local governments. The research finds that without sustainable and clear internal revenue systems, local governments will continue to rely on federal funds, which are frequently insufficient and inconsistent. Njikoka Local Government, akin to numerous others in Nigeria, encounters institutional and political obstacles that weaken revenue generation efforts. However, through the implementation of contemporary financial technologies and effective governance reforms, the local authority can attain enhanced financial independence and operational efficiency. Consequently, successful revenue generation is not just a financial concern but a crucial governance necessity vital for local progress, community involvement, and responsible leadership.

Suggestions

According to the results and conclusions, the subsequent recommendations are proposed:

1. Digital Transformation: The municipal authority ought to adopt an automated revenue management system to improve transparency, reduce losses, and guarantee real-time monitoring of collections.
2. Capacity Development: Ongoing training and re-training of revenue personnel on financial management, taxation, and digital record systems must be made a standard practice.
3. Enhanced Audit Systems: Internal audit departments must be bolstered to oversee and confirm all revenue streams and spending, guaranteeing adherence to financial laws.

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