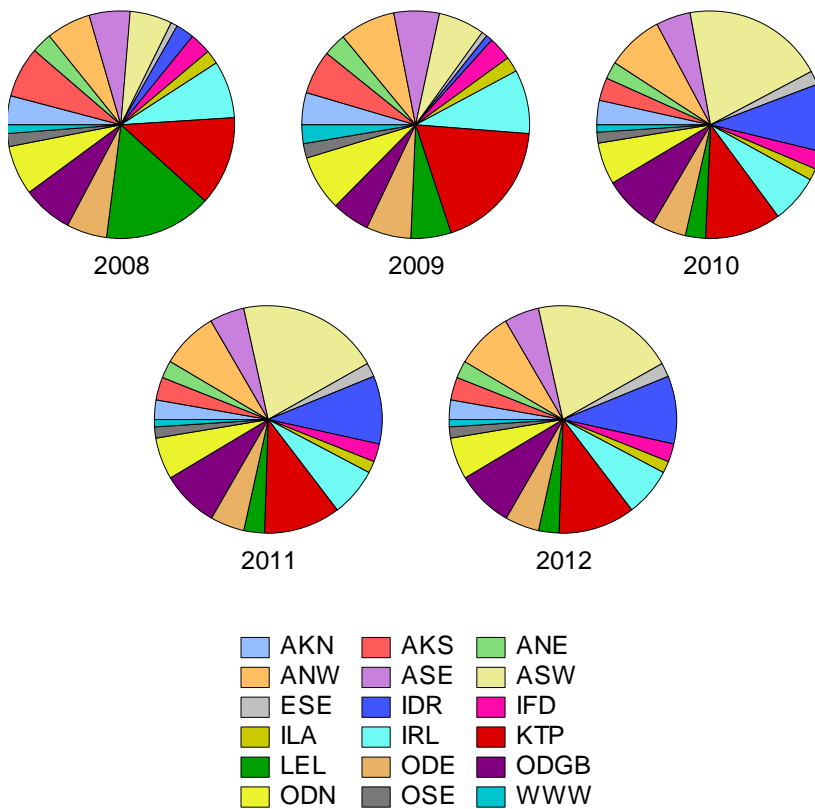


**Pie Chart Budgeted Capital**



Pie Chart of Sum of Budgeted Capital Allocation for 2008 - 2012:



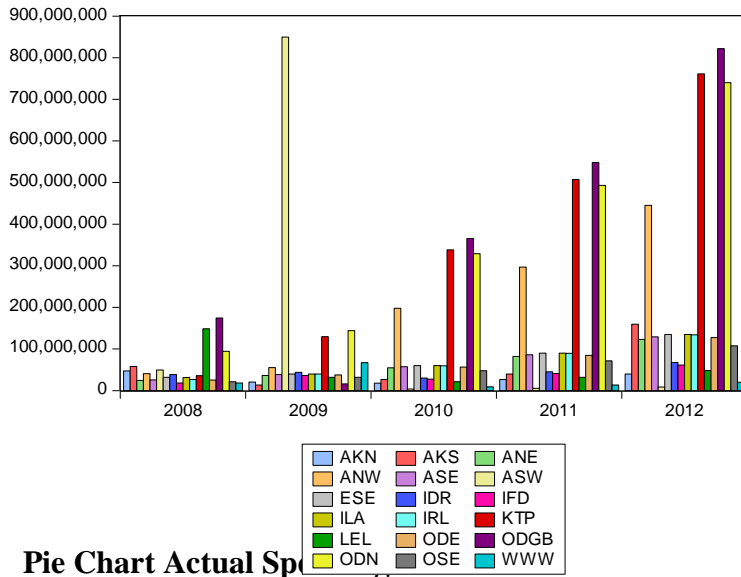


15	ODE	25,128,705	37,693,057	56,539,585	84,809,377	127,214,065	331,354,789
16	ODN	94,475,353	144,247,332	328,805,480	493,208,220	739,812,330	1,8090,548,715
17	OSE	21,250,000	31,875,000	47,812,500	71,718,750	107,575,125	280,234,375
18	WWW	18,125,293	67,005,224	8,924,776	13,387,164	20,080,746	127,523,203

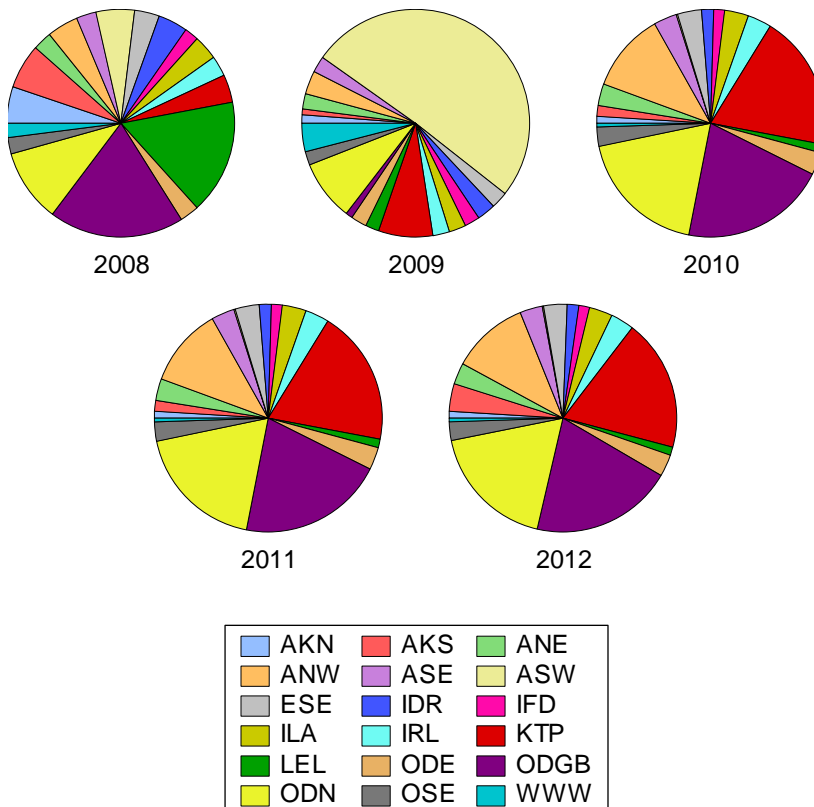
Source: Author’s Computation 2013; Annual Financial Statement 2008-2012

Table 2 shows the proportion of the budgeted capital allocation on annual basis that was actually spent on the capital project during the period of study.

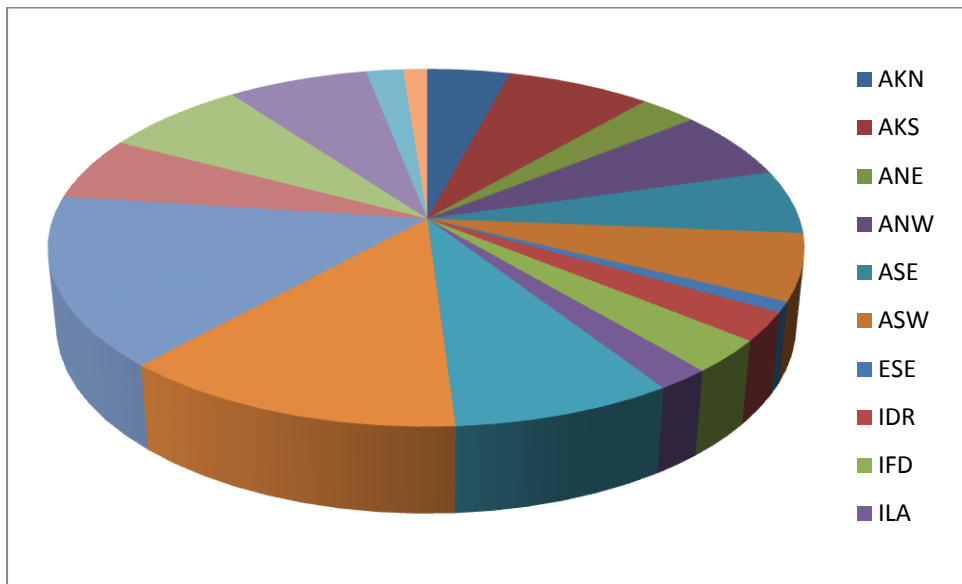
### Bar Chart Actual Spending



### Pie Chart Actual Spending



**Pie Chart of Sum of Actual Spending for 2008 - 2012**



**Table 3 :DIFFERENCES BETWEEN AGGREGATE BUDGETED CAPITAL ALLOCATION AND AGGREGATE ACTUALSPENDING FOR 2008 TO 2012**

	L/G	Aggregate Budgeted Allocation 2008 – 2012 (ABA) N	Aggregate Actual Spending (AAS) 2008 – 2012 N	Difference ABA – AAS N	$P = \frac{AAS}{ABA}$ N	%	Decision N
1	ANE	806,811,250	320,066,216	(486,745,034)	0.397	39.7	F
2	ANW	2,494,830,040	1,035,356,143	(1,459,473,897)	0.415	41.5	F
3	ASE	1,608,875,000	336,765,730	(1,272,109,270)	0.209	20.9	F
4	ASW	5,667,857,182	917,506,640	(4,750,350,542)	0.162	16.2	F
5	AKN	989,575,260	151,628,885	(837,946,375)	0.153	15.3	F
6	AKS	1,186,002,308	197,358,977	(988,643,331)	0.166	16.6	F
7	ESE	566,345,000	756,969,314	-190,624,314	1.337	133*	P
8	IDR	1,292,070,926	224,827,856	(1,067,243,070)	0.174	17.4	F
9	IFD	836,896,338	184,368,343	(652,527,995)	0.220	22.0	F
10	ILA	546,787,199	356,571,321	190,215,878	0.652	65.2*	P
11	LEL	1,253,924,235	281,968,302	(971,955,933)	0.225	22.5	F
12	IRL	2,258,797,998	349,294,418	(1,909,503,580)	0.155	15.5	F

13	PDEB	2,443,600,475	1,926,017,480	517,582,995	0.788	78.8*	P
14	KTP	3,681,587,012	1,772,375,0004	(1,909,212,008)	0.481	48.1	F
15	ODE	1,583,812,787	331,384,789	(1,252,427,998)	0.209	20.9	F
16	ODN	1,944,708,608	1,800,548,715	144,159,893	0.925	92.5*	P
17	OSE	512,993,750	280,234,375	232,759,375	0.546	54.6*	P
18	WWW	368,117,285	127,523,203	(240,594,082)	0.346	34.6	F

Source: Author's Computation 2013; Annual Financial Statement 2008-2012

Base line/Determinant: % of pass to failure =  $5/18 = 27.8\%$   
 : % of failure to pass =  $13/18 = 72.2\%$

Decision Criteria: Ratio >50% = pass  
 Ratio <50% = fail

Table 3 shows the differences between the annual budgeted capital allocation and the annual actual capital spending for the period covered. It also reveals the ratio of the actual spending to budgeted capital allocation. The asterisk \* indicates passes while others indicate failure. The failures or the passes are indicative of the ratio percentages. A ratio percentage of greater than fifty (>50) indicates passes and a ratio percentage of less than fifty (<50) indicates failures. The choice of 50% as a basis of performance is hinged on the grading system of our educational system. The figures in bracket in the differences column shows that less than 50% of the budgeted allocation were actually spent on the projects meaning that there were lots of extra budgetary spending.

### DISCUSSION OF FINDINGS

The essence of this study is to find out to what extent the local governments have been able to harness the resources of the local governments in providing the basic need of the rural dwellers. Table 3 shows the aggregate capital allocation for the five years period of study and the proportion of actual spending from the budgeted allocation. Decision benchmark of 50% and above was set as a basis for performance measurement. Suffix to say that any local government recording a percentage of 50% and above is considered to have passed and similarly, a percentage of lower than 50% is considered to have failed. This percentage is arrived at by expressing the proportion of actual spending in terms of capital allocation. Analysis from the table reveals that only 5 representing 27.8% out of the 18 local governments were seen to have spent at least 50% of their capital allocation. These are marked with letter 'P' and asterisk '\*'. The remaining 13 local governments representing 72.2% of the total population spent less than 50%. These are marked with 'F' in the table. This goes to say that performance of capital expenditure between year 2008 and 2012 was abysmally low, poor and quite discouraging. This is reflected in the low standard of living, infrastructural decay and project abandonment that characterized the expenditure profile of the Local governments.

### CONCLUSION

Finance is very important in the running of organizations or governments. Local governments have a number of functions to carry out. Consequently, their finances need to be efficiently managed and judiciously utilized. Efficiency in financial management in any organization is always achieved through organizational determination to pursue excellent performance. It entails integrity, self-discipline on the part of top, middle, and low level managers in the organization. In view of this, there is urgent need to put in place an effective and efficient institutional mechanism at the council level to checkmate the menace of corruption at the grassroots level which has hindered development. Anti-corruption agencies should establish their offices in all the local governments and their activities should be strengthened. There is also the need for a sustained public enlightenment campaign about the right and duties of the entire individuals under the law. Person convicted of corruption or other economic crimes should be disqualified from holding public offices or participating in politics (Aransi, 2008). It is also imperative for local government to motivate their staff by giving better welfare packages or a commensurate salary in order to make them efficient and safe them from temptation of stealing government funds. Finally, the culture of integrity must be encouraged, practiced and enforced. The practice and enforcement of integrity in local government will promote accountability and transparency in their operation and prevent misappropriation of funds.

### THE WAY FORWARD

First and foremost appropriate actions should be taken to fix the above-mentioned predicaments. These include:

1. Search for honest and credible leadership. Without honest and transparent leaders being put in place at the local government level, embezzlement of public fund is likely to continue to thrive unabated.
2. The financial autonomy of local government must be enshrined and guaranteed by the provisions of the constitution.

3. Joint state-local government accounts must be abrogated immediately in line with the present thinking of the members of the House of Representatives, the Senate should, as matter of priority, consider and pass the bill to enable the President give his assent .
4. Local governments must be given all the political powers to enable them formulate and implement programmes of socio economic and political development as desired by the local populace whom they owe their service to.
5. Qualified Accounting personnel should be appointed into local government councils. The politics of clientelism and prebendalism should be discouraged. Staff should be appointed on the basis of knowledge and experience (merit). Also, hard work and achievements in taking the local government to higher level of performance should be adequately compensated.
6. Audit alarm should be given its proper place in the local government settings. Any acts or commissions of fraud should be exposed immediately a whistle is blown in that direction. Anti-corruption and other related offences agencies must be kept abreast of such development. Periodic internal and external audit programmes should be carried out in order to ascertain the state of finances in the local government through a budget year.
7. Accounts books must be well secured and properly kept. Any attempt to print and issue fake receipts should be nipped in the bud. Any local government official in any attempt to short-change the council by declaring incomplete account should be arrested and summarily dealt with in accordance to the law.
8. All sources of internally generated revenue should be properly identified, and sound methods of revenue collection, guided by financial regulation and General Orders should be handled by local government pensionable staff. A situation where 'touts' are recruited by political "god-fathers" to man their "Cash Points" and where these tout remit very inconsequential revenues to the local authorities must be stopped. The local government council we are aware have honest and well trained and pensionable revenue personnel. Such staff should be

used productively, as they have something at stake in the sustainability of the councils.

9. Finally the budgetary process must be strictly followed and efforts should be made to faithfully implement the provisions of the budgets.

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