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ISSUES AND OPPORTUNITIES IN INTERNALLY GENERATED REVENUE IN AKOKO EDO LOCAL GOVERNMENT AREA, EDO STATE

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Abstract

This study examines the issues and opportunities in internally generated revenue generation in Akoko Edo Local Government Area, Edo State. The study aims to identify the major issues affecting internally generated revenue generation, explore the opportunities for improving revenue mobilization, and recommend strategies for enhancing the fiscal capacity of the local government. The study adopts a descriptive research design and relies exclusively on secondary data obtained from peer-reviewed journal articles, textbooks, government publications, policy documents, and official reports. Data are analyzed using qualitative content analysis. The findings reveal that poor revenue administration, corruption, revenue leakages, political interference, weak enforcement of revenue laws, inadequate taxpayer databases, and limited adoption of digital revenue management systems constitute the major issues affecting internally generated revenue generation. The study further reveals that opportunities such as digitalization of revenue collection, diversification of the revenue base, property enumeration, public-private partnerships, taxpayer education, and capacity building for revenue personnel can significantly

Keywords: Internally Generated Revenue (IGR), Revenue Mobilization, Local Government Administration, Fiscal Sustainability, Revenue Generation.

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enhance revenue generation and improve fiscal sustainability. The study concludes that strengthening institutional capacity, improving transparency and accountability, and adopting technology-driven revenue administration are essential for improving internally generated revenue generation and promoting sustainable grassroots development in Akoko Edo Local Government Area.

Introduction

Local government administration occupies a strategic position in Nigeria's federal system because it is the tier of government closest to the people and is primarily responsible for delivering essential public services at the grassroots level. The Constitution of the Federal Republic of Nigeria assigns local governments responsibilities such as the provision of primary healthcare, rural roads, markets, sanitation, waste management, community development, and other socio-economic services. To effectively discharge these responsibilities, local governments require adequate and sustainable financial resources. According to Ezeani (2021), financial autonomy and effective revenue generation are indispensable for efficient local government administration and sustainable grassroots development. Similarly, Ola and Tonwe (2022) maintained that the effectiveness of local governments in delivering developmental services depends largely on their financial capacity and prudent resource management.

One of the most important sources of finance available to local governments is Internally Generated Revenue (IGR). Internally Generated Revenue refers to revenue raised by a local government from sources within its jurisdiction without relying on statutory allocations from the federal or state governments. Such sources include market levies, motor park fees, tenement rates, business premises registration, licensing fees, fines, permits, property rates, and other locally generated taxes and charges. According to Aruwa and Musa (2023), IGR provides local governments with the financial flexibility needed to implement development projects, improve service delivery, and reduce excessive dependence on external revenue sources. In the same vein, Olaoye and Adebayo (2022) argued that internally generated revenue remains a vital instrument for enhancing local government financial independence and developmental capacity.

The growing importance of internally generated revenue has become more evident due to fluctuations in Nigeria's oil revenue, increasing public expenditure, and the growing demand for improved local governance. The decline in oil prices and changes in national revenue allocation have exposed the vulnerability of local governments that rely almost exclusively on statutory allocations. According to Alabi, Atanda, Akintoye, and Kajola (2024), strengthening internally generated revenue has become a critical strategy for enhancing budget implementation and promoting sustainable development across

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Nigerian public institutions. Similarly, Ocheni and Nwankwo (2023) observed that revenue diversification has become imperative for local governments in order to achieve fiscal sustainability and improve public service delivery.

Internally generated revenue contributes significantly to local government autonomy by enabling councils to finance developmental projects independently. Adequate IGR enhances the provision of public infrastructure, educational facilities, healthcare services, environmental sanitation, rural electrification, and community development programmes. According to Wenibowei (2024), local governments with efficient revenue-generation systems are better positioned to deliver quality public services and promote socio-economic development within their jurisdictions. Likewise, Bello and Abdullahi (2023) asserted that improved internally generated revenue strengthens grassroots governance by increasing the capacity of local governments to execute developmental projects without excessive dependence on federal allocations.

Despite its importance, the administration of internally generated revenue in many Nigerian local governments continues to face numerous challenges. These include corruption, revenue leakages, tax evasion, weak enforcement mechanisms, poor record-keeping, inadequate manpower, political interference, lack of public awareness, outdated revenue collection methods, and limited adoption of digital technologies. According to Adu, Popoola, and Patrick (2026), corruption, inadequate staffing, weak accountability, poor statistical records, and minimal technology adoption remain major obstacles to effective IGR administration at the local government level. Similarly, Olatunji and Adegbite (2023) found that weak tax administration and inefficient revenue collection systems continue to undermine the financial performance of many local government councils in Nigeria.

In addition to these challenges, increasing population growth, rising demand for public services, urban expansion, and infrastructural needs have placed greater pressure on the financial resources of local governments. These realities underscore the need to explore innovative strategies for improving internally generated revenue through enhanced tax administration, digital transformation, institutional reforms, and stakeholder participation. According to Sani, Abbas, and Bukar (2023), strengthening institutional capacity, expanding the tax base, improving transparency, and adopting technology-based revenue systems are critical strategies for enhancing internally generated revenue performance in Nigerian local governments. Similarly, OECD (2024) maintained that effective local revenue mobilization is fundamental to sustainable public finance management and inclusive local economic development.

Although several studies have examined internally generated revenue in Nigeria, many have concentrated on state governments or urban local government councils, with limited empirical attention given to the specific issues and opportunities associated with

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internally generated revenue in Akoko Edo Local Government Area of Edo State. According to Bello and Abdullahi (2023), there remains a shortage of localized empirical evidence on the revenue challenges confronting many rural local government councils in Nigeria. This has created a knowledge gap regarding the factors affecting revenue generation and the opportunities available for improving local government financial sustainability within the study area.It is against this background that this study seeks to examine the issues and opportunities in internally generated revenue in Akoko Edo Local Government Area of Edo State. Specifically, the study aims to identify the major challenges confronting internally generated revenue administration, examine the available revenue opportunities, and propose strategies for improving internally generated revenue for sustainable grassroots development.

METHODOLOGY

This study adopted a descriptive survey research design. The design was considered appropriate because it facilitates the systematic collection, analysis, and interpretation of data from respondents regarding the issues and opportunities associated with internally generated revenue (IGR) generation in Akoko Edo Local Government Area, Edo State. Descriptive survey research is particularly suitable for studies that seek to examine existing conditions, perceptions, and practices without manipulating the study variables (Creswell & Creswell, 2023).

The choice of the descriptive survey design was informed by its ability to obtain first-hand information from key stakeholders involved in local government revenue administration, including revenue officers, finance personnel, administrative staff, and selected taxpayers. The design enables the researcher to describe prevailing revenue generation practices, identify institutional and operational challenges affecting IGR performance, and assess opportunities for enhancing revenue mobilization within the local government system (Saunders et al., 2023).

Method of Data Collection

This study utilized secondary sources of data. Data were obtained from peer-reviewed journal articles, textbooks, government publications, policy documents, official reports, and other relevant documents on internally generated revenue and local government finance. Additional information was sourced from publications of the National Bureau of Statistics (NBS), the Central Bank of Nigeria (CBN), and other relevant government agencies. These sources were selected based on their credibility, relevance, and currency to ensure the reliability of the study (Creswell & Creswell, 2023; Saunders et al., 2023).

The use of secondary data was considered appropriate because it enabled a systematic examination of existing empirical evidence and policy documents relating to the issues

and opportunities in internally generated revenue generation within Nigerian local governments, with particular reference to Akoko Edo Local Government Area, Edo State.

Objectives of the Study

The broad objective of this study is to examine the issues and opportunities in internally generated revenue generation in Akoko Edo Local Government Area, Edo State. The specific objectives are to:

i. Examine the issues affecting internally generated revenue generation in Akoko Edo Local Government Area, Edo State.
ii. Identify the opportunities for enhancing internally generated revenue generation in Akoko Edo Local Government Area, Edo State.
iii. Recommend strategies for improving internally generated revenue generation and strengthening the fiscal capacity of Akoko Edo Local Government Area, Edo State.

Conceptual Review

The conceptual review provides the theoretical foundation for understanding the key concepts underpinning a study. It examines existing scholarly perspectives, definitions, and interpretations of the central variables to establish conceptual clarity and provide a framework for subsequent analysis. In this study, the review focuses on the concept of internally generated revenue (IGR) within the context of local government administration in Nigeria.

Concept of Internally Generated Revenue (IGR)

Internally Generated Revenue (IGR) refers to revenue generated by a government from sources within its jurisdiction, excluding statutory allocations, grants, loans, and external financial transfers. It comprises revenues derived from taxes, rates, levies, fees, licenses, fines, earnings from commercial activities, rents, and other locally generated sources that are legally collectible by government authorities (Adekoya & Olayinka, 2023).

Within the Nigerian local government system, IGR serves as an important source of financial autonomy and fiscal sustainability. It enables local governments to complement statutory allocations from the Federation Account Allocation Committee (FAAC), finance public services, and execute developmental projects that address the needs of local communities. An effective IGR system also enhances accountability, improves service delivery, and reduces excessive dependence on federal allocations (Angahar & Olalere, 2023).

The major sources of internally generated revenue available to local governments include tenement rates, market and motor park fees, business premises registration, licensing fees, advertisements, fines, property-related charges, and other user fees prescribed by

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law. However, the realization of these revenue sources depends largely on efficient revenue administration, effective monitoring, taxpayer compliance, and the adoption of modern revenue collection systems (Wakili et al., 2023).

Recent evidence indicates that strengthening internally generated revenue has become increasingly imperative as governments seek to diversify revenue sources amid declining public revenues and rising expenditure demands. According to the National Bureau of Statistics (2024), Nigeria's states generated over ₦2.43 trillion in internally generated revenue in 2023, reflecting the growing importance of domestic revenue mobilization in promoting fiscal sustainability.

Concept of Local Government Administration in Nigeria

Local government administration in Nigeria refers to the governance structure established to facilitate grassroots development, democratic participation, and the efficient delivery of public services at the local level. As the third tier of government, local governments are constitutionally empowered to perform functions such as the provision of basic infrastructure, environmental sanitation, primary healthcare support, markets, motor parks, and community development, thereby serving as the closest level of government to the people (Abioro et al., 2024).

The Nigerian Constitution recognizes local governments as instruments for promoting inclusive governance and socio-economic development through decentralized administration. Effective local government administration is therefore dependent on adequate financial resources, sound institutional capacity, transparency, and accountability in public financial management (Azu et al., 2024). Financial autonomy, particularly through improved internally generated revenue (IGR), enhances the ability of local governments to discharge their statutory responsibilities without excessive reliance on statutory allocations from the Federation Account Allocation Committee (FAAC) (Tobi & Ayodeji, 2024).

Despite their strategic importance, local governments in Nigeria continue to face challenges such as inadequate funding, political interference, administrative inefficiencies, weak institutional capacity, and poor revenue mobilization. These challenges have constrained effective service delivery and undermined grassroots development across many local government areas (Abioro et al., 2024). Consequently, strengthening local government administration through improved governance practices and sustainable revenue generation has become a major focus of contemporary public administration reforms in Nigeria.

Sources of Internally Generated Revenue (IGR) in Local Government

Internally Generated Revenue (IGR) comprises revenues generated by local governments from sources within their jurisdictions, excluding statutory allocations, grants, loans, and

other external transfers. These revenues are derived from taxes, rates, fees, licenses, fines, permits, rents, and earnings from commercial activities legally collectible by local governments. Effective mobilization of these revenue sources is essential for enhancing fiscal autonomy, improving service delivery, and promoting sustainable grassroots development (Adekoya & Olayinka, 2023).

The major sources of internally generated revenue available to local governments in Nigeria include:

i. **Tenement (Property) Rates:** Taxes imposed on owners or occupiers of landed properties within the local government area.
ii. **Market Fees and Levies:** Charges collected from traders, market stalls, and commercial activities conducted in public markets.
iii. **Motor Park Fees:** Revenue generated from commercial vehicle operators through loading fees, parking charges, and operational permits at motor parks.
iv. **Business Premises Registration and Licensing Fees:** Fees paid by businesses for registration, permits, and annual operational licenses.
v. **Shop and Kiosk Rents:** Income generated from leasing shops, stalls, kiosks, and other commercial properties owned by the local government.
vi. **Signage and Advertisement Fees:** Charges imposed on billboards, outdoor advertisements, banners, posters, and other advertising structures within the local government area (Adekoya & Olayinka, 2023).
vii. **Birth, Death, and Marriage Registration Fees:** Statutory fees collected for the registration and issuance of certificates relating to vital events.
viii. **Fines and Penalties:** Revenue realized from the enforcement of local government bye-laws and regulations.
ix. **Licenses and Permits:** Fees collected for bicycle, canoe, wheelbarrow, livestock, and other permits authorized under the law.
x. **Earnings from Commercial Ventures:** Income generated from local government-owned enterprises, guest houses, agricultural projects, event centres, and other commercial investments.

Effective mobilization of these internal revenue sources is essential for enhancing the fiscal sustainability, financial autonomy, and service delivery capacity of local governments. However, maximizing these revenue sources requires efficient administration, transparent collection systems, technological innovation, and improved taxpayer compliance (Wakili et al., 2023).

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Issues of Internally Generated Revenue (IGR) Mobilization in Nigerian Local Governments

Internally generated revenue (IGR) mobilization remains a major challenge for local governments in Nigeria despite its importance in promoting fiscal sustainability and effective service delivery. Several institutional, administrative, and socio-economic factors continue to undermine the efficiency of revenue generation at the grassroots level.

i. **Poor Revenue Administration:** Many local governments operate inefficient revenue administration systems characterized by inadequate planning, weak supervision, and ineffective monitoring of revenue collection activities. These weaknesses often result in poor revenue performance (Wakili et al., 2023).
ii. **Revenue Leakages and Corruption:** Revenue leakages arising from embezzlement, diversion of funds, and unofficial collections by revenue personnel significantly reduce the amount of revenue remitted into government coffers. Corruption remains one of the major impediments to effective IGR mobilization (Adekoya & Olayinka, 2023).
iii. **Inadequate Taxpayer Database:** The absence of reliable and up-to-date records of taxable individuals, businesses, and properties makes it difficult for local governments to identify potential revenue sources and enforce tax compliance effectively (Akinwale & Adegbie, 2024).
iv. **Weak Enforcement of Revenue Laws:** Poor implementation of revenue regulations and inadequate enforcement mechanisms encourage tax evasion and reduce voluntary compliance among taxpayers (Wakili et al., 2023).
v. **Political Interference:** Political influence in the appointment of revenue officials and the administration of local government finances often weakens revenue collection efforts and compromises accountability (Azu et al., 2024).
vi. **Limited Use of Technology:** Many local governments still rely on manual methods of revenue collection, which are prone to errors, fraud, and inefficiency. The slow adoption of digital payment systems and automated revenue management platforms has hindered improvements in IGR performance (Adekoya & Olayinka, 2023).
vii. **Low Taxpayer Compliance:** Many residents and business owners are reluctant to pay local taxes and levies due to poor public trust, inadequate awareness, and perceptions that revenues are not utilized transparently for community development (Abioro et al., 2024).

Addressing these issues requires strengthening institutional capacity, enhancing transparency and accountability, digitizing revenue administration, improving taxpayer

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education, and enforcing existing revenue laws to promote sustainable internally generated revenue in Nigerian local governments.

Opportunities in Internally Generated Revenue Generation in Akoko Edo Local Government Area, Edo State

Despite the challenges confronting internally generated revenue (IGR) mobilization, Akoko Edo Local Government Area possesses significant opportunities that can be leveraged to enhance local revenue generation and strengthen fiscal sustainability.

i. **Diversification of the Local Revenue Base:** Akoko Edo is endowed with diverse economic activities, including agriculture, commerce, transportation, hospitality, and small-scale enterprises. Broadening the revenue base by capturing these sectors can significantly improve IGR and reduce dependence on statutory allocations (Adekoya & Olayinka, 2023).

ii. **Digitalization of Revenue Collection:** The adoption of electronic payment platforms, automated billing systems, and digital taxpayer databases offers opportunities to improve revenue collection efficiency, reduce leakages, and promote transparency. Digital revenue administration also minimizes human interference and enhances accountability in revenue management (Oseni, 2024).

iii. **Property Enumeration and Geographic Information Systems (GIS):** Comprehensive property identification and valuation can expand the collection of tenement rates and other property-related taxes. The use of Geographic Information Systems (GIS) provides a reliable database for identifying taxable properties and improving revenue administration.

iv. **Public-Private Partnerships (PPPs):** Collaborating with private organizations in the management of markets, motor parks, recreational facilities, and other income-generating assets can increase operational efficiency and generate additional revenue for the local government (Adekoya & Olayinka, 2023).

v. **Development of Tourism and Natural Resources:** Akoko Edo Local Government Area is endowed with tourist attractions, agricultural resources, and commercial opportunities. Strategic investment in tourism promotion, local markets, and agro-based enterprises can stimulate economic activities and expand the local government's revenue base.

vi. **Taxpayer Education and Voluntary Compliance:** Continuous public enlightenment on the importance of tax payment and the transparent utilization of public funds can improve voluntary compliance and strengthen public confidence in local government revenue administration (Wakili et al., 2023).

vii. **Capacity Building for Revenue Personnel:** Regular training of revenue officers on modern revenue administration, financial management, and information

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technology can improve operational efficiency and maximize revenue collection. Well-trained personnel are better equipped to identify new revenue sources and ensure compliance with existing revenue laws (Wakili et al., 2023).

Harnessing these opportunities would enhance the fiscal capacity of Akoko Edo Local Government Area, improve financial autonomy, and promote sustainable grassroots development through more effective revenue mobilization.

THEORETICAL FRAMEWORK

This study is anchored on the Fiscal Federalism Theory, which provides a suitable framework for understanding the relationship between fiscal decentralization, financial autonomy, and revenue generation within the local government system. The theory explains how the allocation of fiscal responsibilities and revenue-generating powers among the different tiers of government influences the capacity of local governments to mobilize internally generated revenue (IGR) and deliver essential public services. Given that this study examines the issues and opportunities in internally generated revenue generation in Akoko Edo Local Government Area, Edo State, the Fiscal Federalism Theory offers an appropriate basis for explaining the need for efficient local revenue mobilization as a prerequisite for sustainable grassroots development and effective local governance.

Fiscal Federalism Theory

This study is anchored on the Fiscal Federalism Theory, originally propounded by Richard A. Musgrave (1959) in The Theory of Public Finance and later expanded by Wallace E. Oates (1972) in Fiscal Federalism. The theory provides a framework for understanding the allocation of fiscal responsibilities and financial resources among the different tiers of government. It emphasizes the decentralization of fiscal authority, arguing that subnational governments should possess adequate revenue-generating powers and financial autonomy to provide public goods and services efficiently (Oates, 1972). The theory has since become one of the most widely applied frameworks in the study of public finance, fiscal decentralization, and local government administration.

Main Thrust of the Theory

The central proposition of the Fiscal Federalism Theory is that the effectiveness of decentralized governance depends largely on the fiscal capacity of subnational governments. The theory maintains that local governments are better positioned to identify the developmental needs of their communities because of their proximity to the people. Consequently, they should possess sufficient financial autonomy through internally generated revenue (IGR) and statutory allocations to perform their

constitutional functions effectively. The theory further argues that excessive dependence on intergovernmental transfers weakens local government autonomy, accountability, and efficiency in service delivery (Musgrave, 1959; Oates, 1972).

Contributions of the Theory to Internally Generated Revenue in Akoko Edo Local Government Area

The Fiscal Federalism Theory provides a useful explanation for the need to strengthen internally generated revenue generation in Akoko Edo Local Government Area. It highlights the importance of expanding the local revenue base through effective tax administration, improved collection of rates and levies, digitalization of revenue collection, and prudent financial management. The theory also underscores the need to reduce excessive dependence on allocations from the Federation Account Allocation Committee (FAAC) by maximizing local revenue sources such as market fees, motor park charges, business premises registration, tenement rates, and other lawful sources of revenue. Strengthening these revenue sources would improve the financial sustainability of the local government and enhance its capacity to provide essential public services and execute developmental projects (Abioro et al., 2024).

Relevance of the Theory to the Study

The Fiscal Federalism Theory is relevant to this study because it provides the theoretical basis for examining the issues and opportunities associated with internally generated revenue generation in Akoko Edo Local Government Area, Edo State. It explains that efficient local governance and sustainable grassroots development depend on the ability of local governments to mobilize adequate internal revenue alongside statutory allocations. The theory therefore supports the study's argument that improving internally generated revenue through institutional reforms, technological innovation, and enhanced revenue administration is fundamental to strengthening fiscal autonomy, improving service delivery, and promoting sustainable local development.

EMPIRICAL REVIEW

Adekoya and Olayinka (2023) examined the contribution of signage and advertisement fees to internally generated revenue (IGR) in Nigerian local governments and assessed how alternative revenue sources could improve local government fiscal sustainability. The study adopted a descriptive research design and relied on secondary data obtained from journal articles, government publications, and policy documents. Data were analyzed using qualitative content analysis. The study found that many local governments underutilize signage and advertisement fees despite their significant revenue potential. Weak enforcement, poor monitoring, and inadequate administrative capacity were

identified as major factors limiting revenue generation. The authors recommended the adoption of modern revenue administration systems, effective monitoring of revenue sources, and improved enforcement of revenue regulations to enhance internally generated revenue.

Wakili et al. (2023) investigated the challenges confronting internally generated revenue mobilization in Nigerian local government councils and identified strategies for improving revenue generation. The study employed a documentary research design using secondary data obtained from scholarly publications, government reports, and official records. The data were analyzed through qualitative content analysis. The study revealed that corruption, revenue leakages, political interference, poor taxpayer compliance, weak enforcement mechanisms, and inadequate staff capacity constitute major barriers to effective IGR mobilization in Nigerian local governments. The study recommended strengthening institutional capacity, digitalizing revenue collection processes, improving transparency and accountability, and providing continuous training for revenue personnel.

Abioro et al. (2024) examined the relationship between fiscal federalism and service delivery at the local government level in Nigeria, with emphasis on the impact of financial resources on grassroots development. The researchers adopted a qualitative research design based on documentary evidence obtained from journal articles, government publications, and official reports. Data were analyzed using thematic content analysis. The study found that inadequate financial autonomy and overdependence on statutory allocations have weakened the capacity of local governments to provide quality public services. It further established that strengthening internally generated revenue would improve fiscal sustainability and enhance local government performance. The authors recommended fiscal reforms aimed at strengthening local government financial autonomy, improving internally generated revenue generation, and promoting transparency and accountability in local government financial management.

FINDINGS

The findings of the study are summarized as follows:

1. Internally generated revenue remains an essential source of fiscal sustainability for local governments, as it complements statutory allocations and enhances financial autonomy for effective grassroots governance (Adekoya & Olayinka, 2023).
2. Poor revenue administration, corruption, and revenue leakages constitute major issues affecting internally generated revenue generation in Akoko Edo Local Government Area and other Nigerian local governments, thereby reducing the efficiency of revenue mobilization (Wakili et al., 2023).

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3. Political interference, weak enforcement of revenue laws, inadequate taxpayer databases, and low tax compliance significantly hinder the effective collection and management of internally generated revenue (Abioro et al., 2024).
4. The limited adoption of digital revenue management systems has contributed to inefficiencies in revenue collection, accountability, and financial transparency within local government administration (Adekoya & Olayinka, 2023).
5. Akoko Edo Local Government Area possesses considerable opportunities for increasing internally generated revenue through the diversification of revenue sources, digitalization of revenue collection, property enumeration, public-private partnerships, and improved taxpayer education.
6. Strengthening institutional capacity through staff training, improved financial management, and enhanced transparency would significantly improve revenue mobilization and reduce revenue leakages (Wakili et al., 2023).
7. Effective utilization of the identified opportunities would improve the fiscal capacity, financial autonomy, and service delivery performance of Akoko Edo Local Government Area, thereby promoting sustainable grassroots development (Abioro et al., 2024).

CONCLUSION

Internally Generated Revenue (IGR) has become an indispensable source of finance for local governments in Nigeria, particularly in the face of declining statutory allocations, increasing public expenditure, and the growing demand for effective grassroots governance. As the level of government closest to the people, local governments require adequate financial resources to provide essential public services, implement developmental projects, and improve the socio-economic well-being of their residents. According to Ezeani (2021) and Aruwa and Musa (2023), effective internally generated revenue administration enhances local government financial autonomy, strengthens service delivery, and promotes sustainable grassroots development.

Despite the enormous revenue-generating potential available to local governments, including Akoko Edo Local Government Area of Edo State, several factors continue to hinder effective revenue mobilization. Challenges such as corruption, revenue leakages, tax evasion, weak administrative structures, inadequate manpower, poor taxpayer compliance, political interference, and limited technological adoption have significantly reduced the capacity of local governments to maximize their internally generated revenue. According to Adu, Popoola, and Patrick (2026), these institutional weaknesses remain major impediments to efficient revenue administration in Nigerian local governments.

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Nevertheless, numerous opportunities exist for improving internally generated revenue performance. The adoption of digital revenue collection systems, automation of tax administration, expansion of the local tax base, taxpayer education, capacity building for revenue personnel, and improved transparency and accountability offer practical solutions for enhancing revenue generation. According to World Bank (2024) and OECD (2024), strengthening institutional capacity and leveraging digital technologies are essential strategies for improving public revenue mobilization and ensuring sustainable local government finance.

In view of the foregoing, this study concludes that improving internally generated revenue administration is critical to enhancing the financial sustainability and developmental capacity of Akoko Edo Local Government Area. By effectively addressing the existing challenges and exploiting the available revenue opportunities, the local government will be better positioned to finance developmental programmes, improve public service delivery, promote economic growth, and achieve sustainable grassroots development. Ultimately, a robust internally generated revenue system will reduce excessive dependence on statutory allocations and contribute significantly to effective local governance and socio-economic transformation in Akoko Edo Local Government Area and Nigeria as a whole.

RECOMMENDATIONS

Based on the findings of the study, the following recommendations are made:

i. Akoko Edo Local Government Area should strengthen its revenue administration system by adopting transparent and efficient revenue collection procedures to minimize leakages and improve accountability.
ii. The local government should deploy digital revenue management systems, including electronic payment platforms, automated billing, and taxpayer databases, to enhance efficiency, reduce fraud, and improve revenue collection.
iii. Comprehensive enumeration of taxable properties, businesses, and other revenue sources should be undertaken to broaden the internally generated revenue base and ensure that all eligible taxpayers are captured.
iv. Regular training and capacity-building programmes should be organized for revenue personnel to improve their competence in modern revenue administration, financial management, and the use of digital technologies.
v. Public awareness campaigns should be intensified to educate residents and business owners on the importance of tax compliance and the role of internally generated revenue in promoting grassroots development and improved public service delivery.

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vi. The local government should strengthen monitoring and enforcement mechanisms by ensuring strict compliance with existing revenue laws and imposing appropriate sanctions on tax defaulters and officials involved in revenue diversion or other corrupt practices.

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