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Internally Generated Revenue and Budget Implementation in Nigeria, Ekiti State in Focus

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Abstract
The study examined internally generated revenue and budget implementation in Ekiti State. This study adopted ex-post factor design which involve the collection of data from the report of the auditor general for local government on the account of the (16) sixteen Local Governments in Ekiti State for year 2007, 2008 and 2009 respectively were used. Data collected were analysed using descriptive statistics such as mean and standard deviation to provide answer to the research questions. The findings revealed that internally generated revenue of Ekiti State cannot be sufficient to take care of budget. It was hereby recommended that the government need to improve on internally generated revenue of the State and source for funds to support project execution and budget implementation.

Keywords: Budget, budget implementation, internally generated revenue, budgeting system, budgeting techniques.

Introduction
Budget is an indispensable instrument in governance. A good budget implementation process is expected to ensure that intended government policies and priorities as stated therein are achieved. Budget implementation process should aim at maximising the contribution of public expenditure to national welfare. A well-functioning budget system is very vital for the formulation of sustainable fiscal policy with the aim of facilitating economic growth. The major challenge confronting budget

implementation especially in Nigeria is late preparation coupled with late passage of the budget. It is important to clearly explain that without proper and appropriate planning and re-assessing with adequate monitoring and feedback budget implementation will become a ruse.

The major parameter been used in assessing the total economic performance of the nation according to Sani and Nwite (2018), include (i) macro and micro economic stability (ii) overall real growth in gross domestic product and (iii) fiscal operation assessment to determine whether there is a budget surplus or deficit. It therefore means that the utilisation of the volume of government expenditure and revenue is very vital to economic growth which is being expressed as Gross Domestic Product (GDP) of a country. Budget making and its implementation for both state and national assembly is handled by the parliamentary. The importance of government in the socio-economic development of a country cannot be over-emphasised, the reason been that the budget is the weapon by which government allocates resources to the various sectors of the economy with a view to ensuring economic transformation.

According to Olande (2010) a functioning national budget is vital for formulating sustainable fiscal policy that stimulate economic growth, not only this, it enables government to translate government social economic, political goals and promises into action that will help in making equitable decision about how to generate and spend fund in a given period. It therefore means that national budget helps to reveal the proposed expenditure and the expected revenue of the government for the fiscal year. According to Kizito and Hook (2014) a typical budget consists of four major stages namely budget preparation, enactment, implementation and appraisal. Kingsley, Kanayo, Ehigiamusoe and Kizito (2014) opined that budget as an instrument of natural resource mobilization and allocation needs to be properly designed, effectively implemented, adequately monitored and painstakingly evaluated. Hence government uses budget as a reliance for fiscal and economic management, facilitation and realisation of government vision as well as a tool for enhancing economic growth and development.

As budget is very critical to the development and execution of most of government plan programme and objectives, it will be a ruse if the means of actualising the dream is not there hence adequate provision of revenue is of utmost importance to the government to be able to achieve their goal. The internally generated revenue is one of the major weapon with which government execute their programmes. According to Siyanbola and Olubukunola (2014), various functions of the state government are financed by both the externally and internally generated revenue which serves as bedrock of the existence of every organisation, sourcing for this fund is basically necessary. Udeh (2002) asserts that the poor financial status of states in Nigeria has escalated due to insufficient revenue generation. He stated further that non provision of grants by the Federal Government under which the constitution are needed to be made available annually during budgetary disbursement to leverage sub-national government in crisis is not available which can help to address challenges of inadequate financial resources that will enable the state government cope with their respective assignment services are not catered for hence, the inability to make such services available like provision of infrastructures, good road networks construction of bridges, building of schools etc.

Many state governments including Ekiti State are lacking behind though eager to grow but the where withal is lacking and insufficient to cater for the growing population. It is unbelievable to know that most state government are relying on the Federal Government allocation for their sustenance since the Internally Generated Revenue cannot cater fully for the need of these States. (Ibrahim, 2002; Ishag, 2002 and Hamid, 2008). The IGR that is accrued to some states are so meager as to take care of the various demand within the state which are pertinent to their existence no wonder the setbacks that is been experienced by some state in Nigeria. It is on the basis of this that this study is carried out to discover the effect of IGR on budget implementation which no scholar has ever embarked upon.

There are many sources of revenue available to state government out of which taxation plays a prominent role. In Nigeria just as we have three arms of government (Executive, Legislature and Judiciary) so we have three levels of Government namely that Federal, the State and the Local Government. These three tiers of government are expected to perform their statutory roles to the citizens hence the need for fund to carry out this legitimate responsibility. The funds in question are to be acquired from a particular source. These sources among others include taxes, funds, licenses, permit, intergovernmental revenue, gifts, donations and grant. For budget implementation, revenue generated is to be used to execute project that are of immense benefit to the populace.

Dubnicks (2002) describes the budget of any government as the technical instruments by which commitments are translated into monetary terms. According to Glautior (2000), budget is simply a plan of dominant individuals in an organisation expressed in monetary terms and subject to the subject imposed by other participants and the environment indicating how the available resources may be utilised to achieve whatever the dominant individuals agree to be the organisation priority. Omopariola (2003) shows that government during a plan for financing the activities of the government during a fixed period usually a year. Budget has been defined by Reeve and Warren (2008) as an accounting device used to plan and control source of operational department of governments and divisions. Baker (2005) opines that in government circles, budgets are used to assist management control and to provide the legal authority to level taxes, collect revenue and make expenditure in accordance with the budget provision. It is the budget that establish and communicates the objectives and priorities government units.

Internally Generated Revenue (IGR) according to Oti and Odey (2017) are those sources of government finance generated majorly by the three levels of Government (Federal, State and Local) which assist in broadening and widening the overall non-oil revenue structure of the various States. They explained further that the current challenges confronting the three tiers of government in Nigeria is the problem of dwindling revenue generation. It has been discovered that most State governments absolutely depend solely on Federal allocation which had been mostly favourable to the Federal Government.

An observation of the income profile of Ekiti State revealed that the internally generated revenue of the state is less than one fourth of the total inflows that is accruable to the State. Despite the fact that State government perform the following functions among others: provision and maintenance of market, collection of taxes and rates, construction and maintenance of rural, road network, naming of streets, development of agriculture, provision and maintenance of health facilities provision of intra State transport services to the citizens, and maintenance of law and order. Yet the resources to execute some of the aforementioned programmes are limited and inadequate. The major sources of revenue accruable to the state are the IGR and revenue generated from outside the State (Externally Generated Revenue).

Internal Generated Revenue (IGR)

There are revenues that is accruable to the state government from its internal activities although this varies from state to state since this has been influenced by politics, economic, security and culture of those residents within the State. The following are some sources of IGR to the State.

Sources and challenges of Internal Revenue of state Governments in Nigeria. Table shows the sources and challenges of Internal Revenue of State Governments in Nigeria

S/N	Revenue Sources	Challenges
	Taxes	Mismanagement of Tax Collected. Lack of public awareness. Human Resource problem. Bribery and corruption. Non-remittance of income collected. Lack of public awareness.
	Charges & Fees	Bribery and corruption. Non-remittance of income collected. Lack of accountability.
	Licenses	Poor internal control measures. Lack of accountability.
	Earning & Sales	Poor internal control measures. Lack of accountability. Bribery and corruption. Non-remittance of income collected. Inadequate facilities
	Rent on government property	Poor internal control measures. Lack of accountability. Bribery and corruption. Inadequate facilities.
	Interests and dividend	Bribery and corruption Non-remittance of income collected
	Fines	Bribery and corruption. Non-remittance of income collected
	Miscellaneous	Porous sources. Poor internal control measures.

Source: Douglas, 2010, Omotoso, 2009, and Olusola, 2011.

Theoretical Framework: Principal-Agent Theory

At the heart of public budgeting are relationships among those who provide agency services and those who allocate resources to service providers. Schick (1988) has referred to these individuals as claimants and conservers, respectively. Others have entitled them more generally as agents and principal respectively (Dernski, 1998). In this relationship, the principals contract with agents to provide services to the public, and the main focus for all those involved is the contract (that is, the budget) itself. Two key questions for both participants are; what can be done to draw up the most effective contract? and how can the contract be effectively carried out?. While no one has come up with the answer, current research suggests that we should look at the elements that are common to the contract and its enforcement, which are the distribution and management of information and the hierarchical relationships among budget participants. Principal-agent relations also are likely to be affected by the hierarchical relationships between budgetary participants and the resulting asymmetry of information that occurs among the participants. Nearly all government programs and policies are determined and implemented in a hierarchical manner. Even within a single organisation, such as an agency, subordinate positions are designed to be accountable to supervisor positions. In budgetary relationships, agents are most often government agencies and programs. Principals, however, tend to vary according to the nature of the government's budget decision making process. In both cases, principals are assumed to set the policies and overall goals, and agents then implement programs intended to address the principal's policies and goals. To implement the programs, the agents need money or budget authority. Following principal-agent, the amount of budget authority granted as agency should be determined by the relative dominance of one party over the other during budget negotiation. Unfortunately, the negotiation process may yield inefficient results.

Theory for Internally Generated Revenue

The theory that support IGR is based on the Keynesian theory of public expenditure as cited by Oti and Odey (2017) quoting Keynes 1936 which stated that there is insufficient aggregate demand and active stabilisation policy that is needed to maintain good economic performance. Public expenditure was regarded as an exogenous factor, a policy which can be used to maintain the economic performance. The theory advocates government involvement in the management of the economy with the expansion of fiscal policy to influence macro- economic performance and increase growth. It also suggests that the efficient utilisation of public expenditure can contribute positively to economic growth as well as revenue generation.

The Budgetary Reforms in Nigeria

One of the major concerns of the government from the inception of democratic civilian administration in Nigeria has been the rate of extra budgetary spending, and blatant disregard to budget rule perpetrated by previous (military) administrations. Specifically, during the military regimes, the budget process was said to be thrown into disarray with major defects which precluded the budget from performing its role effectively as a tool for economic transformation, rather pressurised the nation into economic instability. Expectedly, a number of reforms were embarked upon aimed at revamping the processes, programmes and policies considered ailing, in order to bring the economy on tract with the new democratic agenda and to delivering value to the people. The public sector in general and the public budget process in particular were among the areas for which reforms were exigent.

Consequently, a number of budget related reforms were introduced into the Nigeria budget process. These include; Oil-Price based on fiscal rule, the Medium Term Expenditure Framework (MTEF) 2005, and the Fiscal Responsibility Act 2007 among others. The reforms centred on five major aspects namely; administrative procedures, budget preparation, management of government spending, budget implementation, as well as budget monitoring and evaluation. They were intended to achieve the following objectives among others; reduce the cost of governance, improve the management of resources by curtailing extravagances, increasing the level of productivity and efficiency, as well as ensure budget discipline (i.e. adherence to limits). Specifically, the Medium Term Expenditure Framework (MTEF) was introduced into the Nigerian budgetary process in 2005; although it's legal backing came via the Fiscal Responsibility Act in 2007. According to MTEF it entails annual budgeting system in which budget decisions relating to new programs and projects are made at every budget preparation session based on three-year fiscal scenarios, to ensure that projects financed for the next three years will be approved under the annual system and will be consistent with the baseline budgeting approach. Its emphasis is on a multi-year (three years) budget packaging.

The specific objectives for the adoption of MTEF in Nigeria were to improve the allocation of resources to strategic priorities among and within sectors, as well as provide MDAs with a hard budget constraint among others; State Partnership for Accountability, Responsiveness and Capability (SPARC). Similarly, the Fiscal Responsibility Act (FRA) was signed into the law by President Musa Yar'Adua in 2007. It was meant to ensure prudent management of national resources, a mandate consistent with section 16 of the 1999 constitution, among others. Besides, the FRA was set to promote greater accountability and transparency in fiscal operations and processes within the medium term fiscal policy framework. In summary, the enactment of FRA formed the legal basis for the MTEF, and gave impetus to other budget reforms as well.

Factors Affecting Growth of IGR of State Government

Since IGR varies from state to state depending on the ingenuity of the state government and its ability to drive its resources to harness all the sources of revenue to its revenue nets from time to time. According to Siyanbola and Olubukunola (2014), most states that collect enough IGR tapped into this principle and the under-listed are some of the factors militating against the growth of IGR in some states of the federation: poor knowledge of appropriate tax rate, poor publicity and enlightenment on the benefit accruing for paying revenue voluntarily, sharp practices on the part of revenue collectors for holding on to some, absence of reliable database, lack of enforcement capability of the State Inland Revenue, unclear demarcation of boundaries between one state and the other; non-existence of enabling law to capture some IGR sources and non-mobilization of adequate personnel to drive revenue collection.

The Relationship between Budget Reforms and Budget Management

Budget reforms involve making changes to the ways and manner in which the budget is formulated, implemented and evaluated for the purpose of facilitating effectiveness and efficiency of the economy. It is about restructuring the process and/or management of a nation's budgeting system in order to improve its feasibility as a fiscal policy vehicle. By implication, therefore, budget reforms must have direct impact on the quality of budget management, otherwise it would be unnecessary.

Supportably, the five planks of the reforms mentioned earlier in this paper (i.e. administrative, preparation, management, implementation and monitoring/evaluation) resonated with both, the four phases of the budget cycle (formulation, enactment, execution and evaluation), and the five major elements of budget management (efficiency, effectiveness, discipline, transparency and accountability). It is this interconnectedness that forms the fulcrum of the conceptual and theoretical underpinning of this study. Three budgets' constructs are prominent namely (Reforms, process and management). The implication exemplified in the model is that budget reforms instigate changes in the process, as well as the management of the budget in order to improve its workability as an economic management tool.

It is also in conformity with the theoretical postulates by institutional economists that institutional reforms are a necessary condition for achieving durable budgetary outcomes, or that the "rule of the game" does shape the nature of decisions taken. Hence, changing the rule of the game can help in reducing the likelihood of systematic biases for poor budget/fiscal outturns. This implies that appropriate and effective reforms of the institutions of budgetary process and management mean shaping the rules of the game which invariably have far reaching implications on the budgetary out turn.

However, most budgetary reforms are targeted at the implementation phase of the budgetary process, because of its susceptibility to corruption and misappropriation. This to a great extent explains why the specification of hard budget constraint or fiscal rules is a common factor of most reforms, hence, the concentration of this paper on IGR budget/implementation. Conceptually, budget discipline is different from fiscal discipline in the sense that while budget discipline is measured by the ratio of budgetary expenditure to actual expenditure, fiscal discipline is measured by the ratio of budget deficit to the Gross Domestic Product. However, both are attributes of efficient fiscal policy management, hence, share similar implication on the economy (GDP).

Prerequisites for Effective Budget Implementation

Development of Oriented Macro-economic Policies

The macro-economic analysis and forecasts which form part of the MTEF should not only be sound but must also be people-oriented. It must be geared towards poverty reduction and well-being of the people. In this connection, it is necessary to seek and deploy institutional support and complementarities. For instance, it is important to strengthen the National Planning Commission to effectively perform a useful role as far as macro-economic analysis is concerned. Specifically, the NPC should be involved in the conscious transformation of the budgeting horizon from the traditional annual budget to multi-year budgeting and the incorporation of performance measurement information into the budget. The key areas of involvement should include (i) articulation and preparation of the broad macroeconomic framework, (ii) articulation of performance measurement information, and (iii) ensuring proper linkage between development priorities and budget implementation.

Nature and Purpose of Budgeting

The public budget is a financial representation of government's spending plans for delivering public goods and services over a period of time. This involves (a) estimating revenues (income) that will be available (b) identifying the public goods and services to be provided and how they are to be provided (c) estimating what it will cost to provide the identified public goods and services as efficiently as possible (Eboh, 2006).

It is common knowledge that the budget is one of the major tools of macro-economic management. The budget allocates resources in a way that reflects development priorities. In particular, it demonstrates the 23 commitment to improved access to education and health services, increased agricultural productivity and greatly improved infrastructure. The budget should be able to firmly lead to the nation's development priorities, especially in employment generation, wealth creation and poverty reduction and allocate funds to them accordingly. The budgetary process is an important component of the reforms to the way the government does its business to ensure that the challenges are met (Obadan, 2003).

Broadly, the purpose and associated features of the budget may be considered in terms of three aspects as a tool of accountability; as a tool of management, and as an instrument of economic policy (Aku, 2009). Budgeting in the final analysis, regardless of the type of legislature, is a political exercise.

In an ideal sense, the budgetary process can be described as one where there is first an establishment goal in the light of available data and recognition of economic, political and administrative constraints. The next stage consists of the development of plans and programmes for short, medium, and long terms (Iyoha, 2000; Roy, 2003). This stage involves looking ahead at issues and alternatives. More specifically, it involves the preparation of projects with sizable outlays. The formulation of a development plan is followed by the annual budgeting or the allocation of resources. The implementation of the budget involves the ongoing recognition of new issues and reallocation of resources. The final stage is the appraisal and evaluation of the implemented budget for accountability and, more significantly, as feedback for the formulation of new goals (Ariyo, 2007). Each stage leads to the next, facilitating decision making on the policy, accountability, and management aspects of the budget. Finally, it is clear that budgets are not just numbers detailing abstract expenditure. A budget reveals a vision for the future as well as the ideals shaping that vision.

Budget Conception and Preparation

The starting point for budget conception and preparation is a review of the performance of national budget for the previous fiscal year. Here, data are collated and reviewed; economic, political and social constraints are identified, and the objectives and policies of government are established. The Budget Office in the Ministry of Finance, usually headed by a director is responsible for budget preparation.

Budget Approval

Once the various ministries and agencies submit the draft to the budget department of the ministry of finance, a budget committee is constituted to scrutinise it. During the meetings, reconciliation and adjustments are made so that all the items fall within the budget ceiling. For the capital expenditure, the rolling plan provides the basis for project selection. The draft budget is then submitted to the executive. The budget appropriation bill is then presented formally to the legislature.

Appropriation

The national assembly's primary role is to scrutinise the budget proposal presented by the President, and thereafter, pass it back for signing into law. The constitution does not provide a deadline for legislative approval of the budget.

The appropriation bill constitutes a limited restriction on the disbursement of funds by the executive. No expenditure can be incurred except on the authority of a warrant and authority-to-incur expenditure (AIE) duly signed by the Minister/ commissioner of Finance. Without such an AIE, the Accountant – General of the Federation/State does not accept, in his account, any charge upon the consolidated revenue fund (Ekpo, 1994; Ekpo, 1996; Falokun and Yekini, 2002).

Implementation

Upon passing of the Appropriation Bill, and the issuance of the general warrant by the minister/commissioner of finance to the Accountant General, funds are released from the consolidated revenue to meet the budgeted services approved in the estimates. The warrant authorises officers controlling votes in the ministries, departments and government agencies to incur expenditures approved in the estimates. The implementation of the budget is, therefore, the responsibility of the executive arm of government (Ekpo, 1996; Oladipo, 2001).

Monitoring

This involves some form of control mechanism to ensure that funds are used for their intended purposes. It ensures that disbursed funds are effectively and efficiently used. And that financial commitments and expenditures do not exceed approved amounts. Monitoring, which usually is the responsibility of Ministry of Finance, and in some cases, that of Project Implementation and Monitoring Agency (under the executive), also ensures that projects not approved by government are not pursued or executed (Oni and Olomola, 2006).

Empirical Review on Internally Generated Revenue and Budget Implementation

Nnanseh and Akpan (2013), investigated the effects of internally generated revenue on infrastructural development in Akwa Ibom State in Nigeria. The study made use of ex-post facto research design and secondary sources of data spanning from 2000-2012 which were obtained from Akwa Ibom State Government Annual Budget Appropriation and the State Board of Inland Revenue (SBIR) Annual Report and Statement of Accounts. The regression result revealed that IGR contributed positively and significantly to the provision of water, electricity and roads but the road construction was most favoured. In this study, there is evidence that Ho3 is not accepted.

Ironkwe and Ndah (2016) studied the impact of Internally Generated Revenue (IGR) on the performance of local governments in Rivers State Nigeria. The study adopted the ex-post facto research design and made use of a population size of 23 local government councils in Rivers State. The secondary data employed were from 2005 to 2014 and were collected from the authorities of Ogba/Egbema/Ndoni Local Government Council. The findings of the study revealed that TREV and NTRV had no significant impact on Local Government road construction (LGRC) in Ogba/Egbema/Ndoni Local Government Councils within the period studied. The p-value were ($0.26 > 0.05$ and $0.43 > 0.05$) for TREV and NTRV respectively. The result also showed that NTRV had a significant negative impact (p-value = $0.03 < 0.05$; t-statistics = -3.980) on local government staff salaries and wages (LGSW) while the TREV had a significant positive impact (p-value = $0.02 < 0.05$; t-statistics = 2.228) on LGSW. The study indicated that locally generated revenue cannot adequately enhance economic development, therefore the Ho4 is accepted.

Emelogu & Uche (2010) examined the relationship between government revenue and government expenditure in Nigeria, using cointegration and causality approaches. Applying time series data from 1970 to 2007, obtained from the Central Bank of Nigeria, the study was based on four hypotheses such as revenue-spend hypothesis, the spend-revenue hypothesis, the fiscal synchronisation hypothesis and the institutional separation hypothesis. It employs the Engel-Granger two-step co-integration technique, the Johansen co-integration approach and the Granger causality test within the Error Correction Modeling (ECM) framework. The findings revealed that there is a long run relationship between government revenue and government expenditure in Nigeria. Thus, the findings support the revenue-spend hypothesis for Nigeria, indicating that changes in government revenue induce changes in government expenditure at both national and sub-national levels.

Olaoye (2016) examined empirical analysis of the nexus between budget implementation and economic development in Nigeria. The study adopted ordinary least square COLS, CO-integration and error collection model (ECM) in analysing the short and long run effect of budget on economic growth, the study revealed that public recurrent expenditure will have a positive relationship with GDP while public capital expenditure and public debt service will have a negative relationship with GDP.

Olaoye, Olaoye and Afolabi (2017) examine the impact of capital budget implementation on economic growth in Nigeria. Secondary data collected from CBN was used. Argmented Dickey Fuller unit root test, co-integration test and error correction model was used to analyze the data, result revealed that capital expenditure implementation is germane in maintaining and sustaining economic growth.

Odunayo and Oluwaseun (2015) discusses on budgeting and economic development of Ekiti State Nigeria. Secondary data was used with descriptive analysis of variables collection and regression analysis was employed for the model to test hypothesis. The study recommended that state government should ensure rational allocation of sectarian expenditure based on the development needs.

However, despite the numerous empirical conducted to link revenue and expenditure, yet less attention has been paid on the nexus between internally generated revenue and budget implementation mostly at the subnational levels of government in Nigeria. Hence, this study is to fill the gap with particular reference to sixteen Local Government in Ekiti State, Nigeria.

Statement of the Problem

Over the years researchers have shown that one of the major problems confronting budget in Nigeria is traceable to delay in approving the yearly budget by the house and weak implementation strategy. Feanyinckukini, Ezeamama, Joy and Mgbodule (2016) corroborates the above assertion and submit that in Nigeria, budget implementation has been a major issue of concern which include poor implementation which has actually make execution a weak link in the budget process.

Objectives of the Study

The objective of this study is to investigate Internally Generated Revenue and budget implementation in Ekiti State with a view to ascertain:

1. the status of the Internal Generated Revenue between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State.

2. the status of budget allocation between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State.
3. the extent to which Internally Generated Revenue affect the implementation of budget in the sixteen Local Government Areas in Ekiti State.

Research Questions

The following research questions are raised from the objectives of the study.

1. What is the status of the Internal Generated Revenue between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State?
2. What is the status of budget allocation between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State?
3. What is the extent to which Internally Generated Revenue affect the implementation of budget in the sixteen Local Government Areas in Ekiti State.

Methodology

This study adopted ex-post factor design which involve the collection of data from the report of the auditor general for local government on the account of the (16) sixteen Local Governments in Ekiti State for three years, 2007, 2008 and 2009 respectively were used. Data collected were analysed using descriptive statistics such as mean and standard deviation to provide answer to the research questions.

Results

Research Question 1: What is the status of the Internal Generated Revenue between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State?

Table 1: Analysis of Internal Generated Revenue between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State.

Years	Mean	Standard Deviation
2007	12,962,341.60	1,801,200.06
2008	13,922,312.40	2,767,827.46
2009	18,934,337.3	2,058,948.09

The result of analysis presented in Table 1 revealed that the status of IGR between 2007-2009 in the sixteen local governments in Ekiti state. It was shown that there was steady increase in the IGR between 2007 and 2008. A very high increase was also observed in the IGR of the state in 2009. This implies that the status of the Internal Generated Revenue between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State was increasing yearly. The status of the Internal Generated Revenue between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State was further presented in figure i.

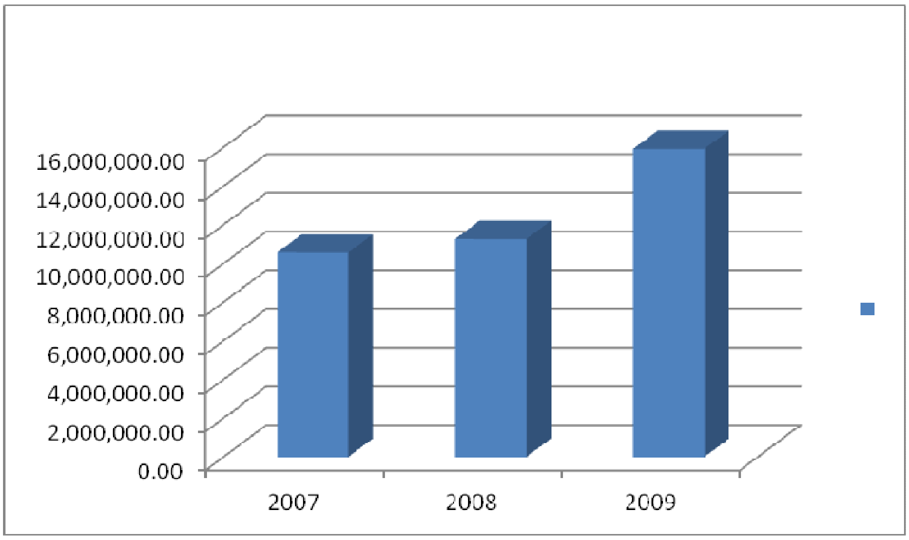


Figure i: Bar Chart showing the summary of IGR in Ekiti State.
Source: Ekiti State Ministry of Finance (Auditor General's Report)

Research Question 2: What is the status of budget allocation between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State?

Table 2: Analysis of Budget Allocation between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State.

Years	Mean	Standard Deviation
2007	10,562,329.60	803,24.11
2008	11,263,321.00	967,827.46
2009	15,924,357.32	1,000,148.09

The result of analysis presented in Table 2 revealed that the status of budget allocation between 2007-2009 in the sixteen local governments in Ekiti state. It was shown that there was steady increase in the budget allocation between 2007 and 2008. There was also high increase in the budget allocation of the state in 2009. This implies that the status of the budget allocation between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State was increasing yearly. The status of the Internal Generated Revenue between 2007 to 2009 in the sixteen Local Government Areas in Ekiti State was further presented in figure ii.

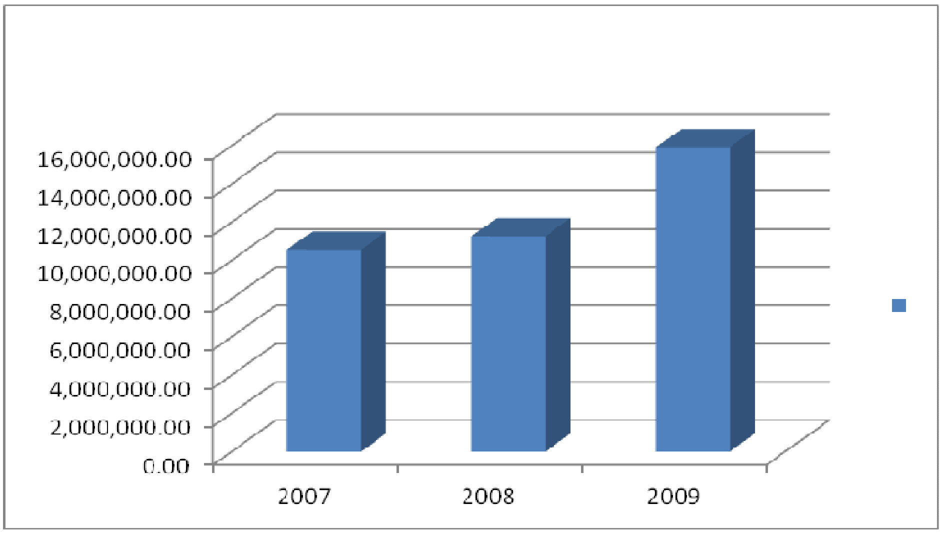
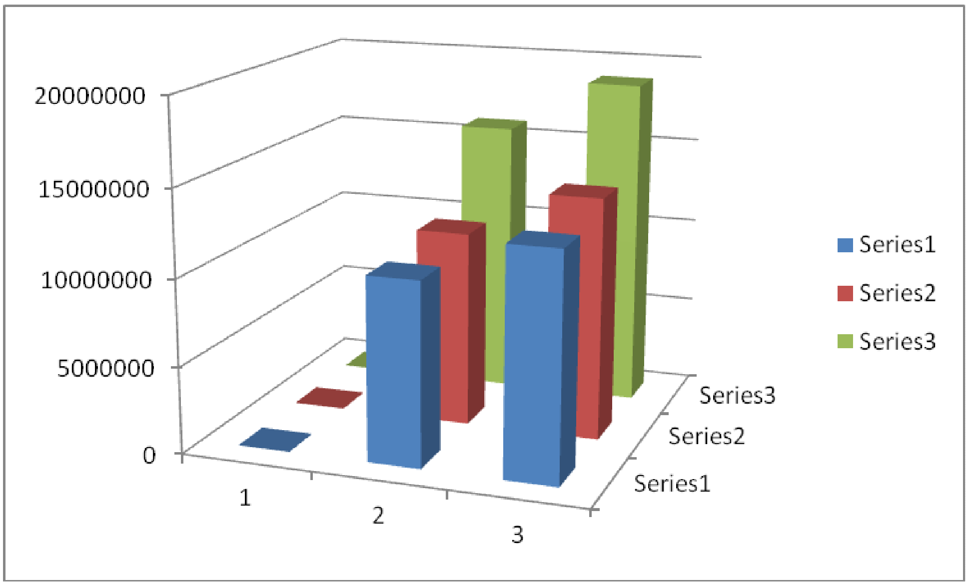


Figure ii: Bar Chart showing the summary of Budget Allocation in Ekiti State.
Source: Ekiti State Ministry of Finance (Auditor General's Report)

Research Question 3: What is the extent to which Internally Generated Revenue affect the implementation of budget in the sixteen Local Government Areas in Ekiti State?

To determine the extent to which IGR affect budget allocation in Ekiti State, multiple bar series chart is used.



Source: Ekiti State Ministry of Finance (Auditor General's Report)

It was revealed that the higher the IGR in the three consecutive years, the higher the budget allocation and implementation. This implies that the extent to which Internally Generated Revenue affects the implementation of budget in the sixteen Local Government Areas in Ekiti State was high.

Discussion

The finding of study for research question one which sought to find out the status of IGR between 2007 and 2009 in the sixteen local governments in Ekiti state revealed that there was steady increase in the IGR between 2007 and 2008 and very high increase in the IGR of the state in 2009. This implies that the status of the Internal Generated Revenue between 2007 and 2009 in the sixteen Local Government Areas in Ekiti State was increasing yearly. Also the finding on research question two revealed that the status of budget allocation between 2007 and 2009 in the sixteen local governments in Ekiti state was increasing yearly. Hence, the extent to which Internally Generated Revenue affects the implementation of budget in the sixteen Local Government Areas in Ekiti State was high. The finding is in line with Akpan (2013) that IGR contributed positively and significantly to the provision of water, electricity and road which are the implementation of annual budget of the government. The study is also in line with the finding of Emelogu and Uche (2010) that there is a long-run relationship between government revenue and government expenditure in Nigeria. Thus, IGR is germane in the implementation of budget in Ekiti State.

Conclusion

The study concluded that the status of Internally Generated Revenue (IGR) and budget allocation across the local governments in the state increase yearly. This has gradually enhances effective implementation of budget implementation in the state. Hence, there is need for government to device proactive means of improving the method of revenue generation in the State. It was also discovered that as a result of paucity Internally Generated Revenue, project implementation and execution to a large extent has been grossly affected.

Recommendations

This paper therefore makes the following recommendations:

i. the state government should improve on generating more revenue to enhance budget implementation.
ii. the government should source for other means of generating revenue to support the existing ones.
iii. the officials of the internal revenue services must be adequately trained to support increased revenue level.
iv. the government should establish a virile task force with a view to disallow unremitted internally generated revenue.
v. the budget office must be committed to a wholesome budget with financial backing to ensure proper budget implementation and execution.
vi. Government should embark on public enlightenment to educate the people on the need to fulfill their civil responsibility of paying taxes; the federal government should stop playing politics with state government and start being realistic by providing fund to states based on needs not by political affiliations. Prompt remittance of external grants to state government locked up in federal government accounts; total overhauling methods of assessment and collection of revenues; appointment of dedicated officials with proven integrity to take charge of revenue collection in the state;

provision of social amenities to the citizens, for them to know where their tax payments are being spent in the state;

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