Empirical Assessment of Factors Capable of Boosting Internally Generated Revenue Collections in Edo State

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ABSTRACT
This study empirically examined factors boosting internally generated revenue collection in Edo state. The population of the study was heterogeneous consisting of all local Government councils and staff. Six (6) Local Government councils were chosen from Edo South Senatorial district, (2) Local Government Councils were chosen from Edo North Senatorial district and (2) local government councils were also chosen from Edo Central Senatorial districts while a total number of (200) respondents were selected using the simple random sampling method. The statistical tool employed to analyze the data and test the research hypotheses is ordinary least square estimation method. The result showed that establishment of grass roots revenue collection centre though significant, however reduced the internal generated revenue of Edo State. Basically the methods of collecting internally generated revenue examined are considered efficient enough to produce significant results for the governments of Edo state. Based on the empirical findings of this study, it is therefore recommended that the government should radically eliminate the use of touts in collecting IGR in Edo. This study contributed to knowledge because it the first to empirically examined efficient methods government can use to collect IGR with a view to boosting revenue base in Edo state.
Keywords: Internally generated revenue, Revenue base, grass root revenue collection center, tax marshal

1.0 INTRODUCTION
The generation of revenue and its sustainability is of paramount interest to managers in the private sector, directors, political heads / appointees in the public sector. This is premised on the fact that revenue is the life wire of any establishment both in developed countries and specifically in developing countries like Nigeria. Heads of every establishment do ensure there are adequate sources and methods of collecting internally generated revenues to achieve set goals/objectives. Inadequacy of the method of generating internal revenue usually leads to a lot of vagary of factors that interplay to cause a setback in the process. In recent time, continuous decline in the price of crude oil as well as

oil theft/vandalism has led to a decrease in the funds available for Federation Account Allocation Committee (FAAC) and its concomitant consequences to the beneficiary tiers of government in Nigeria (Adenugba & Ogechi, 2013; Nnanseh & Akpan, 2013). The need for both states and local governments in Nigeria to generate adequate revenue from internal sources has become a matter of extreme urgency and importance to scholars and policy makers (Nto, 2016). This is so given the ever increasing cost of running government coupled with dwindling revenue from Federation Account (Mbanasor, 2014). In fact, the non- realization and the inadequate use of efficient method of collecting revenue generated internally is a major factor stunting the development of the Nigerian economy; this has even engendered the dearth of social and economic infrastructures. The redeployment of efficient and effective methods to ensure the collection of the IGR is predicated on the need for the government to provide social amenities, embark on development projects that would improve the living standard of her citizenry as well as meet its overhead or recurrent expenditures (Nto, 2016).

Internally generated revenue (IGR) in normal day to day parlance refers to those revenue sources that are generated solely by the State or Federal government (Nto, 2016). Nnanseh and Akpan (2013) opined that the improvement in basic infrastructure underscores the eagerness on the part of the state to look for new sources or become more aggressive and innovative in the mode and method of collecting revenue from many sources. For example, Nto (2014) stresses that such strategies and methods put in place by the Abia state government are direct bank lodgments; payment through point of sale; elimination of touts and agents in revenue collection process; harmonization of fees and levies to stamp out multiple taxation; participatory taxation policy through the establishment of institutions like ministerial revenue coordinating committee (MRC), state internally generated revenue committee and state revenue summit. However, despite these initiatives, methods/strategies of revenue collection, IGR in the state was noticed not to have improved, there was a huge negative variance between budgeted amounts and actually generated revenue (Nto, 2016). The disparity or variation observed in this finding could be adduced to geographical differences, weak or non -application of stringent internal control mechanisms and auditing systems, among others. Recently, the different methods of internally generated revenue have not been sufficient at the Federal, State and Local government levels due to the stiff global challenges and the deep level of corruption that is endemic and systemic in Nigeria with political leaders. So, there is need for verifiability using slightly dissimilar approaches and methodologies by local governments and ministries in Edo State. Different state governors in Nigeria in attempt to boost internally generated revenue have set up committees whose functions are to come up with policies, identify issues related to the current procedures in the state internal revenue collection process. Recently Governor Abubakar Bello of Niger state inaugurated a 22 – member committee headed by Professor Nasiru Maiturare to review the activities of the Niger State Internal Revenue Board. The aim is to find out effective method that could be used to efficiently collect internally generated revenue. In a statement, he said "we have all opportunity in the state to live a comfortable life and work hard to improve our internally generated revenue (IGR). This clearly underscores the importance of having a workable model of collecting internally generated revenue in a country like Nigeria (Nto, 2016).

Limited work has been done on the methods with which revenue can be collected in local governments in Nigeria. A considerable number of empirical studies have examined the determinants and sources of local government revenues in Nigeria using different approaches and models. Some of these are cross-sectional studies, time series studies orpanel studies (Yahaya, Farouk, Kutigi & Ahmed, 2015). However, despite the number and the variety of studies, empirical evidence on the methods of collecting internally generated revenues in Nigeria has not been robustly examined, thus leaving a gap to be filled. This is more so in the light of the threatening global and nationwide financial crises affecting almost all the thirty six states of Nigeria. Nigeria is blessed with abundant resources, yet the government is unable to efficiently devise effective and efficient method to enhance the collection of internally generated revenue.Most states are currently in the heat of financial crises and majority of them have sought for bail-out from the Federal government. For example, some states in Nigeria are not able to adequately pay their workers, the local governments workers in some of the effected states are suffering from untold hardship; salaries ranging from 3 months to 11 months are yet to be paid to them. Recently the workers of Egor local government council of Edo state protested

over non- payment of seventeen (17) months' salary and in addition to this, the rate of abandoned projects is on the increase. In fact, this has even encouraged social – vices and poverty in the land. Various steps and measures / methods by the government to ensure the collection of internally generated revenue have not produced the expected results. This has created a further gap in research domain to critically determine a model that is unique and efficient in the method of collecting revenue generated both at the Federal, State and the Local Government levels.

The current administration of President Muhammadu Buhari recently came up with Treasury Single Accounts (TSA). The goal of this is to increase the revenue base of the government with a view to ameliorating the current financial problem facing the Nigerian economy. A mile stone progress seems to have been made by the government in this direction, given the over three trillion naira acclaimed to have been collected and deposited into this account – TSA. Besides the TSA, the Federal, States and Local Governments have sources of collecting internally generating revenues which includes Federal allocation, taxes (both direct and indirect taxes), grants, and donation among others. The governments hardly will account for the revenue collected from these aforementioned sources due to revenue leakages occasioned by weak internal control systems, high level of corruption as well as other factors that are both internal and external in nature. There is, therefore, no doubt in addition to these teething problems that lack of effective and efficient method of collecting revenue internally generated at the local government level in Nigeria is the most precarious problem contributing to some of the financial crisis currently being witnessed. Hence the need to come up with a study of this kind, that is not only a path breaking one, but aimed at providing the expected elixir to the government with a view to ensuring the discharge of primary responsibilities to the citizenries. Thus, the problem that this study tries to solve is how to boost the dwindling resources available to Local Government Councils in Nigeria following the gradual reduction of what comes from the Federation Account monthly. It is also to consider how to improve IGR in local governments. Against this backdrop, this research aims to empirically assess methods of collecting internally generated revenue in Edo state.

2.0 LITERATURE REVIEW
2. 1 Methods of Collecting Internally Generated Revenue (IGR)
There is no gain saying that interest in enhancing revenue mobilization in developing countries is increasing, but there appears to be lack of efficient and effective methods/models put in place to effectuate the collection of the revenue, specifically the internally generated revenue (IGR).According to Oyo (2003), the basic strategies (methods) that are currently in use to mobilize revenue from the tax sources of income that accrues to the state as relevant tax includes original assessments, self – assessment, deductions at source, back duty assessments, tax clearance certificates, best of judgments, warrants of distress, search and seizure and use of tax consultants. Any state considered to be economically viable must put in place strategies (methods) to attract adequate internally generated revenue and be less dependent on Federal Allocation (Adewoye & Fasina, 2008). The overriding objective according to Dike (2000) is to collect the maximum revenue with the minimum economy and interference with legitimate trade of the tax payer. There is no doubt successful collection of internally generated revenue does suffer some setbacks at times due to certain teething factors. Some of these factors have continued to affect the problem of funding by both Local and even State Governments in Nigeria. For example to further compound the funding problems of the states, in terms of IGR and method of collecting it, it has remained impossible to get the self – employed to pay tax faithfully and since the government has not been able to device a means of assessing the income of those in self – employment to pay tax faithfully.They have been evading tax so successfully to the shame of theInternal Revenue Service (Omogui, 2007). For example, an observation of the income profile of Oyo State shows that the internally generated revenue is less than one third of the total income to the state; inverse relationship appears to exist between efforts being made to boost internally generated revenue performance and actual revenue realized internally (SIRS Activity Report, 2003). Some of the strategies identified by Hofer and Schedal (1978) for internally generated revenue encompass discovery and enumerating new sources of internal and external revenues and its collections, custody and stewardship; making available motivation packages that will induce revenue generation staff towards positive attitudes; periodic supervision and inspection of revenue points; timely assessment of tax payers, collection and maintenance of good internal control system to keep

track of records; conducting effective awareness campaign and education of the tax payers and citizens of the state on the importance of complying with tax laws and policies; and conducting back-duty assessment of tax payers.

2.1.2 Use of Community/Village Heads as Methods of Internally Generated Revenue (IGR) Collection

Revenues that are collectable from various sources at the Local Government level are done through various means. One of the commonest methods with which IGR could be collectible is through the use of community/ village heads; although this may be viewed as primitive in the Nigerian context given the levels of vagaries of factors that interplay in the immediate environments. Intuitively this method could be akin to the use of consultants as a method to collect revenue by the government. The point of emphasis on the use of village/community heads as a method of collecting IGR is premised on the notion that the earliest form of local governments administration existed in the form of clan and village meetings; and democracy itself originated and developed along the lines of local governance initiative in the ancient Greek city states (Oviasuyi, Idada & Isiraojie, 2010). Albeit, the collection of revenue at the village / wards level without the apparent use of communal heads by the government could be prettily difficult. This is due to the fact that there are certain factors like cultural practices, tradition, religious beliefs, and poor network of roads, insecurity and other that may affect the government if they directly engage the revenue collection officers. Therefore one of the ways by which this problem could be solved or reduced to the barest minimum is through the use of village / community heads and "outsourcing some of the revenue collection to private collectors to increase revenues from existing sources". To ensure the efficiency of these methods, the village / community heads for example could be made to sign undertaking with adequate guarantee-ship in the period the contract/appointment lasts. Revenue collected from each houses in the community with adequate supervision and monitoring is expected to be remitted to the government treasury. An independent committee may be set-up to check mate the efficiency of the process.

Using private collectors is another approach or method of collecting IGR. These private bodies are registered financial organizations by the government empowered to collect money collectible in the local government. Anyway, this kind of method of revenue collection can be effective in the urban areas than rural areas due to some certain problems. Another method of revenue collection that may be considered though a bit primitive is where tax defaulters are visited in their homes and people are expected to show tax receipt at road blocks. Moreover, manned barriers could also be used to control buyers of certain crops like cashew, mango, orange, pawpaw fruits. In this regard, the buyers will have to produce receipts before they are allowed to transport the purchase outside the ward or local governments. Similarly, check points have to be used to control people for development levy and bicycle tax, road blocks could sometimes be sued to collect market fees, implying that the fees have to be paid before the goods enter the market place; market fees and crops are in general collected at the selling points and markets (Odd-Helge, 2004). Odd-Helge(2004) emphasized that big-buyers of sellable goods are expected to pay directly to the council treasury; the buyer then pays the council in advance based on an estimate calculated by the co-operative officer from ministry of agriculture. It must be accentuated here that while these methods may produce effective results in a particular geography, it may be a different outcome entirely. This tends to cast aspersion on the workability of the methods that any authority may employed to adequately generate needed revenue for smooth running of the local government. In Nigeria, little percentage of result could be achieved due to the problem of corruption and insincerity on the part of the revenue collection officials. What may rather be suggested in this context of this study is the adoption of a radical and sensitive approach if the best result can be achieved. One major fact about these methods pointed out is that they there are scanty or no empirical literatures that have examined them on the empirical fronts in Nigeria.

2.1.3 Use of Recruitment of Tax Marshals and Application of E – Revenue as Methods of Collecting and Boosting IGR

Desirous to address the problem of paucity of fund as a result of dwindling revenue from the Federation Account to States of the Federation, Osun State Government has recruited 300 tax collectors otherwise called tax marshals to enhance its internally Generated Revenue (IGR) on a sustainable level (This Day, December 5, 2015). The marshals recruited were deployed to all the

nooks and crannies with point of sale terminals (POS) for the collection of taxes from existing and prospective tax payers especially in the informal sectors category in the state. A lot of our market men and women desire to pay their taxes but they may not be able to leave their various stalls to go to the bank or tax stations and for some there are no easily accessible bank close to them (Oyebanji, 2015). He surmises further that this action prompted the Osun State government to embark on massive recruitment exercise of tax collectors with a view to increasing the IGR of the state on a sustainable basis. It is the weaknesses of manual collection of revenue e.g from taxation and growth in ICT that introduced electronic internally generated revenue method (Nkanor & Udu, 2016).Electronic internally generated revenue (e–IGR) is the use of information and telecommunication technology (ICT) in the assessment and collection of taxes and other levies due to the government (Nkanor & Udu, 2016). Nkanor and Udu (2016) pointed out that some of such weaknesses of manual collection of IGR include printing of personal receipts, non-remittance of collected revenue, physical presence of the payer at the point of payment, risk of loss of funds to robbers and others. Although it is perceived that electronic internally generated revenue method is a veritable tool for the provision of infrastructural development and for eliminating the vices associated with the manual method, certain problems requiring solutions still exists with the new regime; they include how to eliminate tax evasion, misappropriation and diversion of fund; mismanagement of available funds meant for optimum leadership, which has deterred the provision of infrastructures and developments by state governments in Nigeria (Dotun, 2012). Bizz desk Global Solution (2013) defined E – IGR solution as a point of sales (POS) or pay – direct technology developed for electronic collection of taxes, duties, levies, fines and penalties; keeping track records of internally generated revenue for federal, state, local governments and other revenue collection agencies with the assistance of information and communication technology devices and resources. Electronic internally generated (E – IGR) is targeted at assisting the revenue collection process and providing information for tax administration and planning while monitoring and coordinating all revenue generating activities (Nkanor & Udu, 2016). Computerized systems have revealed that it has the propensity of engendering massive efficiencies to business processes that can result in increased revenue (Tetteh, 2013).

The world of today is gradually advancing in information and Communication Technology (ICT). It has changed the ways and manners things are done both at the individual level and in private and public sector of an economy. In the private sector, the use of ICT has brought about e – commerce, while in the public sector, there is the e – government. ICT has changed the way the business of the government is executed. It has enhanced the varying reforms in the country, including revenue reform. Thus, the significant relationship between the uses of ICT to boost IGR cannot be over emphasized. Many states governors in Nigeria have long been embracing the use of ICT to boost their IGR with a view to ameliorating the financial crisis. For example, Governor Rauf Aregbesola of Osun State is one of the governors in Nigeria that has used ICT to boost as method IGR base. Idowu in This Day Thursday (2013) report has it that the governor disclosed that he has been able to use ICT in all government transactions to boost IGR, and within a space of one year, he was able to block loopholes leading to financial leakages in the state. He asserted that its monthly internally generated revenue has jumped by 100 percent, from N300 million to N600 million, and now to N1.6 billion. This astronomical increase in IGR base has endeared the state to have a strong ground to serve the people better, as acclaimed by the governor. The system, he noted allowed for online direct bank lodgment system (DBLS) of the revenue collection process; the DBLS with its communications, data base software, accounting and reconciliation and monitoring components, enables the capturing of all payments information and other banking transactions on-line.

The system also generate reconciled cash book on all banks' account for the Accountant Generals, officer; generates summary and specialized reports for tax stations and other agencies as required; and sets – up electronic link between tax stations and other agencies with the central information pool incorporating applicable restrictions' (Idowu, in This Day, September, 2013). Intuitively, it can be deduced that this method of collecting IGR has not to an extent produced needed result working of emulation from Osun State government. Furthermore, the use of government to stop the old practice of tax collection by travelling clerks; rather all taxes, rates and levies payable in the state are now done through the bank and paid directly into the accounts of the government. There is no doubt every system has its own inadequacies. It is true ICT is efficient, but it cannot be so efficient that all levies

payable for instance in the rural areas are readily collectible. There are one or two obstacles that are human in nature to obstruct it. E – Revenue method of collecting IGR can be achieved effectively through the use of POS. The government may come up with the idea of using POS to collect revenue from payers through this e – card. They are expected to swop the card, and instantly, the amount of the levy payable daily or periodically is immediately credited to the bank account of the government. By this method, the process of having to pay cash directly to revenue collectors will stop, reduce fund embezzlements; if it is made mandatory through proper legislation, perhaps by the state House of Assembly every citizen to have e-payment card, slot for payment for any levy or changes or taxes, the IGR of the government will increase in an unprecedented manner. This may be achieved in collaboration with BEDC or any agency through which citizens pays for any service can summed and required to pay for it, otherwise, they are deprived of the service.

On the empirical domain, there are sparse literatures that have robustly considered the nexus between E – revenue and method of IGR in Nigeria to the best of the researcher's knowledge.For example, Sani (2013) empirically studied Automated Internal Revenue processing system in Kogi State. The researcher used the survey and purposive sampling method to select respondents among the staff of Kogi State internal Revenue Board. Interviews, group discussion, direct observation and document study were instruments used for information and data collection for the study. Based on the information gathered, a number of problems noticed to be inherent in the manual method of operating were extracted; some of these problem encompass delay in the remittance of collected revenue to the state consolidated revenue fund due to huge computation involved in bringing together all revenue collected from thirty area offices within the state, diversion of the revenue collected into private pockets by staff of the Board, difficulty in identifying and locating tax evaders for necessary legal and prohibitive actions to be taken against them, computational errors, high level of redundancy and inconsistencies in record, low level of data security, inability to quickly and accurately retrieve assemble relevant data, for prompt decision making. The study further revealed that there was a combination of structured systems analysis and design methodology and objects oriented analysis methodology was deployed to develop a feature rich software program called computerized internally generated revenue processing system. The application was developed using my SQL data base platform as backend and visual basic 6.0 as front end. The implementation of the application resulted in the elimination of the identified problems and this has started to generate impact on the state infrastructural development.

2.1.4 Effect of ICT as an Efficient Method of Collecting IGR

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ICT as a system or method of collecting IGRs also generate reconciled cash book on all banks' account for the Accountant Generals, officer; generates summary and specialized reports for tax

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2.1.5 Use of Network Providers, Banks as Methods of Collecting IGR
Improving revenue administration is essential for enhanced and fairer revenue mobilization and for order governance improvements; though success is hard to evaluate" (Githinji, Nwaniki, Kinwa & Mutongwa, 2014)."They empirically examined the impact of information and communication technology (ICT) on revenue collection by Kenya as a country. They report that the development and utilization of ICT Hub and framework for revenue collection has helped Kenya as a country. They state that the implementation of mobile transfer services from 2007 has put Kenya on the world map; and currently, all the four mobile operators and two licensed content services provides (e.g Mobikash Africa and Mobile pay) are offering mobile money transfer services; furthermore that with mobile phones collaborating with the banking sector, new mobile banking products have emerged. They state that in addition, most bills from public and private institutions ranging from electricity, water, insurance, travel and NHIF and NSSF contributions among others can now be paid via mobile phone platforms". In Nigeria, it is prettily achievable given the existence of major network providers like MTN, GLO, Airtel, Etisalat, etc. Every subscriber to at least each of these networks providers can be made to pay a levy, tax, charge, etc and then credited to the government bank account. For this to work, there has to be a defined item that must be legally or statutory backed by laws in each local government territory, state or federal constituency, otherwise, sharp criticism could stunt the purpose. This method of collecting revenue by the government is novel and has not been robustly considered in Nigeria. The bank can easily be a smooth platform that such method of revenue collection can work. Each account holder can have the charges or levies deducted and payable to the government. Albeit, the drawback of it is that it only favours those who are network subscribers and also have any firms of account or the other with the bank. Any other methods stated in this study can also be used.

2.1.6 Advantages and Disadvantages in the Use of Experts in Internally Generated Revenue
        (IGR) Collection
Experts in terms of revenue collection may be regarded as the use of consultants/outsourcing to generate revenue in an establishment. Experts are contractors that management and government in the case of public sector can employ to perhaps aggressively embark on the collection of internally generated revenue (IGR). They have experienced and requisite technical training in the collection of revenue through the use of effective methods. Government overtime can place much premium on the

use of experts in revenue collection due to the attendant benefits/ advantages. On the theoretical fronts, there are myriads of advantages associated with the use of experts or consultants in revenue collection by the governments. Some of these advantages are stated as follow:

- The use of experts by the government to an extent promotes accountability and transparency in revenue collection and remission to Treasury.
- It increases the internally generated revenue base of the government.
- Experts are much conversant with the loopholes in the revenue collection processes, points and thus are able to devise ways to block them with a view to enhancing internally generated revenue base of the government.
- Experts are easily incentivized by the contractee (the government) and thus assist to boost the revenue base of the government. Some of the disadvantages associated with the use of experts or consultants in revenue collection as often identified in literature are pointed thus:
- Experts may not be conversant with the geographical link to all the nooks and crannies of revenue collection point.
- The use of experts sometimes encourages anti-social behaviour due to non- compliance by the populace or businesses the revenue is being collected from.
- The use of experts could results to redundancy on the part of internal staff of the council employed to engender collection of revenue in the case of local government council.

2.1.7 Advantages and Disadvantages in the Use of Internal Staff in Revenue Collection
Internal staffs are employees of an establishment that perform several roles and functions for the attainment of set objectives. In the public sector particularly at the local government level, there exists varying staffs in different in different section or department. They may be sent out to engage in revenue collection at designated areas in the jurisdiction. By so doingthey contribute to the collection of as well as increase in government revenue. There are some demerits in the use of internal staff for example by a local government council to collect internally generated revenue. Some of these demerits are identified as follows:

- It encourages dishonesty on the part of the internal staff in collecting the revenue. Dishonesty in this case includes printing fake receipts.
- There is always the problem of not identifying and adopting appropriate strategies for expansion of revenue base internally by the internal employees in terms of IGR collection.
- There is the problem of shortage of trained manpower may due to cost cutting policy measure/ policy of the council.
- Low quality of staff and lack of mission comprehensive functional role is a demerit of using internal staff.
- Undue political influence in the recruitment process, thus affecting achievement of set objectives/goals is greatly associated with the use of internal staff in IGR collection particularly at the local government council.
- It encourages high level of corruption.
- Poor staffing, sharp and fraudulent practices of the revenue collectors, thus affecting IGR collection in the council.
- Lack of logistic support for the internal revenue collectors. This of course hampers achievement of desired aims.
- Refusals of most citizens to co-operate in paying the necessary fees due to the local government performance grossly affect IGR collection by internal staff.
- The internal employees of the councils do lack foresight and entrepreneurial skill on the key local governments functions.

2.1.8 The Link between Corruption and Methods of Collecting IGR
The mobilization of adequate revenue from the various sources by local government authorities is a major panacea to the present financial crisis rocking Nigeria. The incessant protests by local government workers in different states of the federation are pointers that much need to be done to enhance the IGR base. Nigeria as a country is blessed with abundant material, physical, human and financial resources. They are supposed to be sources of upliftment of the lives of the citizens.

However, it appears to be a curse due to the level of corruption that is both endemic and systemic. The various sources that revenue is collected from have not benefited the people of Nigeria, particularly at the local government level. Mbaya, Audu and Aliyu (2014) study on administrative efficiency as a strategy for improved local government effectiveness in Borno State, Nigeria assert that local governments in Borno state and other states are increasingly faced with the allegations of centers of sharing money, gross under performance in service delivery and expectations. The attitude of some state governors in Nigeria tends to be consistent with this observation. Alamieyesigha (2003) had called for the scrapping of the democratic local governments system in Nigeria due to the fact that the local government has failed Nigerians; adding further that in Bayelsa State, the councils did not do anything tangible. According to Olaoye, Asaolu & Adewoye (2009), local government is faced with varieties of difficulties to source adequate revenue from federal government, state government and the internally generated revenue. They surmise that such problems are cowheel to the smooth running of local government administration. Some of the problems they itemize encompass dishonesty on the part of officers collecting the revenues such as cases of printing fake receipts by the officers. These have been the major problems in realizing the expected revenue; the machinery put in place for collection of revenue is inadequate, hence most of the government monies are not collected and this is in the case of the internally generated funds; and that is why there is need to review the revenue generation in local government in Nigeria.

3.0 METHODOLOGY
3.1 Method of Data Analysis and Model specification
The survey descriptive research design is used in this study. The population of the study comprises of all the local governments and employees in the three senatorial districts of Edo State. A sample of eleven (11) local governments is drawn from the eighteen local government councils in the senatorial district of Edo State. Namely, Oredo, Egor, Ovia south West, Ovia North East and Uhunmwonde local government councils respectively from Edo South Senatorial district. Similarly sample was drawn from the Edo North Senatorial District which includes Fugar and Etsako West local government councils. In the same vein, sample was equally drawn from Edo Central Senatorial District which includes Esan West and Igueben local government councils respectively. Furthermore a sample size of two (200) hundred staff were randomly selected across the three senatorial districts using the simple random sampling method to ensure that each of the research population is adequately represented since it is not possible for the researcher to study the entire population. Furthermore, this implies ten (10) respondents were selected from each of the local government councils. Summary and inferential statistics were employed to undertake the data analysis. The summary statistics encompass descriptive and correlation analysis while the inferential statistic is the ordinary least square multivariate regression method. The ordinary least squares multivariate regression model is specified to undertake the analyses. The mathematical form of the models is:

$$IGRc = f(U, W, X, Y, Z)………………………………………………………………………………………..(I)$$

$$IGRcit = \beta_o + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \varepsilon_t………………………………………………………(2)$$

Where IGRcit represents internally generated revenue in all the councils in the senatorial districts of Edo State. β_1-β_4 are the coefficients of the parameters of estimation, denoting the efficient methods of collecting internally generated revenue (IGR). $\beta_{o=}$ is the intercept. $x_{1=}$ represents establishments of grass root revenue collection centers. $x_{2=}$ represents use of communal/village heads. $x_3=$ represents use of technically trained and experienced revenue assessors/ collectors. $x_{4=}$ represents use of e-revenue system, elimination of touts and agents. ε_t is the stochastic error term acting as surrogate in the construct.

4.0 Empirical Analysis

Table A: Diagnostic Tests Result

Variance inflation factors (VIFs)		
	Uncentered VIF	Centered VIF
C	50.414	NA
EGRCC	10.579	1.007
UTTERA	12.742	1.004
UESETA	18.468	1.026
UCVH	19.224	1.021
Breusch – Godfrey – serial correlation LM test		
F-statistic = 1.157	Prob.F(2, 190)	0.316
Obs * R-squared = 2.383	Pro. Chi-square (2)	0.303
Heteroskedasticity test		
F-statistic 3.656	Prob. F(4,193)	0.006
Obs * R-squared 13.948	Prob. Chi-square (4)	0.007
Ramsey Reset Test		
t-statistic = 0.423	Df = 191	0.672
F-statistic = 0.179	Prob.F(1, 191)	0.672

 Source: Researchers' compilation from E-view 8.0 (2017)

Table 4.67 shows that the variance inflation factor statistic is less than 10 (Centered VIF < 10) for each of the variables. This indicates absence of multicollinearity among the explanatory variables. The ARCH: Heteroskedasticity test shows the presence of homoscedasticity (0.006> 0.05), this confirms the constant variance assumption of the ordinary least square estimator. The Breusch-Godfrey serial correlation LM test result of 0.316> 0.05) points out the absence of higher order correlation. The Ramsey Reset Test result of (0.672> 0.05) substantiate validity of the regression model.

4.1 Descriptive analysis
Table A: Descriptive Statistics

	IGR	EGRCC	UTTERA	UESETA	UCVH
Mean	10.52764	10.93467	11.20603	11.38693	11.97990
Median	10.00000	11.00000	11.00000	12.00000	12.00000
Maximum	16.00000	16.00000	16.00000	16.00000	16.00000
Minimum	4.000000	6.000000	5.000000	6.000000	7.000000
Std. Dev.	2.735474	2.674374	2.655804	2.070971	2.201835
Skewness	0.027834	-0.003020	-0.107561	-0.223622	-0.062665
Kurtosis	2.192875	2.249077	2.431321	2.271285	2.415147
Jarque-Bera	5.427304	4.675855	3.065202	6.061641	2.966426
Probability	0.066294	0.096527	0.215973	0.048276	0.226907
Sum	2095.000	2176.000	2230.000	2266.000	2384.000
Sum Sq. Dev.	1481.598	1416.151	1396.553	849.2060	959.9196
Observations	199	199	199	199	199

The average value of internally generated revenue (IGR) is 10.52%; the maximum value is 16%, the standard deviation measuring the spread of the distribution stood at 2.73%. The Jargue-Bera statistics of 5.42 with p- value of 0.066 portrays that IGR is statistically not significant at 1% level; hence the data was normally not distributed in the period. The mean value of EGRCC is 10.93%; the maximum value records 16% while the standard deviation is 2.67; the Jargue-Bera value of 4.67 is observed to be statistically not significant at 99% level, thus pointing out that the variable was not normally distributed. This suggests that about 11% of the respondents opinionated that establishment of grass root revenue centres would engenders the collection of internally generated revenue in Edo state. The mean value of UTTERA is 11.20%; the maximum value records 16% while the standard deviation is 2.65; the Jargue-Bera value of 3.06 is observed to be statistically not significant at 99% level, thus pointing out that the variable was not normally distributed. This also connotes that about 11% of the

respondents opinionated that the use of technically trained staff and experienced revenue collector/assessors would increase the collection of internally generated revenue in Edo state. The mean value of UESETA is 11.38%; the maximum value records 16% while the standard deviation is 2.07; the Jargue-Bera value of 6.06 is observed to be statistically significant at 95% level, thus pointing out that the variable was normally distributed. UCVH has mean value of 11.97%; the maximum value records 16% while the standard deviation is 2.20; the Jargue-Bera value of 2.96 is observed to be statistically not significant at 99% level, thus pointing out that the variable was not normally distributed. This suggests that about 12% of the respondents opinionated that the use of communal /village heads has the propensity to influence collection of internally generated revenue in Edo state.

4.2 Pearson correlation statistics

Table B: Correlation matrix

	IGR	EGRCC	UTTERA	UESETA	UCVH
IGR	1				
EGRCC	-0.161	1			
UTTERA	0.070	0.028	1		
UESETA	0.089	-0.020	0.097	1	
UCVH	0.026	0.091	0.017	0.170	1

Source: Author's computation from E-views 8.0 version (2017).
The correlation result showed that all the explanatory variables, EGRCC, UTTERA, UESETA and UCVH are both positively and negatively associated. For example, correlation exists between EGRCC and UTTERA (r= 0.070, r= 0.028); and by extension with all other variables. The correlations coefficients do not in any way shows signs of perfect multi-collinearity considerably. In a nutshell it can be said that all the variables re-enforce in a mutual perspective.

4.3 Ordinary Least Squares (OLS) regression result

Table C: OLS Regression Equation
Dependent variable: IGR

Variables	Coefficient	Prob.value
C	10.076*****	
	[5.599]**	0.00
EGRCC	-0.182*****	
	[-2.536]**	0.01
UTTERA	0.088*****	
	[1.144]**	0.00
UESETA	0.097*****	
	[1.049]**	0.00
UCVH	0.028*****	
	[0.316]**	0.00
R-square =0.704		
Adjusted R-square = 0.681		
F-statistic = 4.483		
Prob.(F-statistic) = 0.000		
Durbin-Watson stat = 1.991		

******Coefficient values
( ) *****standard error in bracket
[   ] ** T- statistic value in parenthesis
E-views 8.0 Output
The above table shows the adjusted $R_{-Square}$ is 0.681 indicating that all the independent variables explained about 68% systematic variation on the dependent variable, internally generated revenue, leaving 32% unexplained due to the stochastic error term. The F-statistic value of 4.483 when compared with the F-prob (Statistic) value of 0.00000 is statistically significant at 99% level, suggesting a clear long run impact of the independent variables on the dependent variable, and were

significant at enhancing IGR of the council under the period examined. In other words, the empirical estimation clearly indicates that the explanatory variables contribute significantly to the collection of internally generated revenue in Edo state. Using the individual coefficients, a unit change in EGRCC will result to 0.182 unit decreased in internally generated revenues (IGR) and was statistically significant at 99% level. This points out the fact that the establishment of grass root revenue collection centres though reduces IGR collection, it is however significant. A unit change in UTTERA is observed to increase the internally generated revenues by 0.088 units and is statistically significant at 95% level. It implies that the use of technically trained and experienced revenue collectors/ assessors increases IGR collection and it is statistically significant. A unit change in UESETA results to 0.097 unit increased in internally generated (IGR) and statistically significant at 95% level. This is a further empirical affirmation that the use of e-revenue system as well as elimination of touts and agents has the great tendency to increase IGR collection in Edo state significantly. If this is so, an an applause should be accord to the recent decision of the Edo state governor, Mr. Godwin Obaseki for the recent ban on the of touts and illegal private bodies to collect revenue for the state. Furthermore, a unit change in UCVH is observed to increase the IGR by 0.028 and is however statistically significant at 99% level. Meaning that the use of communal village/ heads contributes to IGR collection efficiently and significantly,while the Durbin-Watson statistic value of 1.99 points out clearly the removal of serial autocorrelation in the regression result, thus making the result very useful for policy prescription.

4.4 DISCUSSION OF FINDINGS

The goal of every meaningful government is to achieve the aim of providing the needed welfare of thecitizens and carryout basic infrastructural needs. To successfully accomplish this, there has to be enough revenues generated from the spelt out sources either at the Local Government, Federal Government or State Government Levels. Before an efficient method is used to collect revenue, there should be the assurance that adequate revenues are generated from the varying sources in the three tiers of government. Some of the spelt out sources of revenue for example to the local government include rates, revenue, license, earnings, levies, fines amongst. If these sources of revenues are harmonized to be able to determine how significant they are at contributing to internally generated revenue (IGR). Since the aim of this dissertation is to empirically examine the effective and efficient methods of collecting internally generated revenue in Edo State, it was first necessary to examine the significant contribution of some selected sources of revenue to the internally generated revenue at the individual local government council and then to the combined local government councils which constitute the senatorial districts, namely Edo South Senatorial District, Edo North Senatorial District. The empirical estimation and findings arising from the data generated are reported in this subsection of the study.

The crux or thrust of this study is to empirically examine the more efficient methods with which the internally generated revenue of the Local Government Councils could be collected. Given that the empirical results obtained thus far has mixed results or submission in that in some of the explanatory variables were significant and positive on internally generated revenues in some of the local government councils across the three senatorial districts, the results are however dissimilar with respect to some few variables in some of the Local Government Councils. Not considerably minding the empirical results obtained in this regard, it was necessary and trite to empirically find out the efficient methods that could assist the government in the face of the current financial quagmire blocking the smooth operations of local government councils and states at large in collecting internally generated revenues in Nigeria. Therefore, the study's finding revealed that establishment of grass root revenues collection though does not positively improves internally generated revenue is however statistically significant. It is the stand of this dissertation that putting swift action to the meaning, contents and purpose of the just proposed bill for the Edo State Local Government uniform and harmonized levies, rates, fees and charges, law, 2017 would produce unprecedented and significant results in internally generated revenue (IGR). The positive influence of the establishment of grass root revenue collection centre could be enhanced if the use of communal / village heads is encouraged. As a matter of empirical justification, the results obtained in this study point out that the use of communal / village heads enhances internally generated revenue (IGR) in the local government

in the three senatorial districts and was statistically significant. The findings obtained do quite agree with the study of Oviasuyi, Idada and Isiraojie (2010) where they asserted that the use of village / community heads as a method of collecting internally generated revenues is predicated on the idea that the earliest form of Local Governments administration existed in the form of clan and village meetings; and democracy itself originated and developed along the lines of local governance initiative in the ancient Greek City States.

The empirical result obtained showed that the use of e-revenue system as well as elimination of touts and agents in this study is positive and significant as an efficient method of collecting internally generated revenues (IGR) in the three senatorial districts of Edo State. This finding is intriguing and need a timely and urgent implementation by the Edo State government. There is no gainsaying that the Edo State government under the regime of Godwin Obaseki is already at a cross road as regard the unsatisfying amount of internally generated revenue in the state. No wonder, Mr. Godwin Obaseki had to recently ban the use of touts and illegal private bodies to collect revenue for the State. The finding implies that the electronic revenue collection method rather than the manual method is totally required for effective and efficient revenue collection. The manual method is imbued with lack of transparency, accountability and is corruption driven. This may have caused one of the reasons why most of the Local Government Councils in Edo State are not able to pay workers' salaries spanning from four (4) months to eighteen (18) months. This is not only frightening, it is absolutely disheartening and appalling to experience in a democratic system Nigeria claim to practice. This study's finding is consistent with Tetteh (2013), Bizzdesk Global Solution (2013) and Dotun (2012) studies. It was also ascertained that the use of internal staff and experts do not increase the internally generated revenue and was statistically not significant. The import of this finding is that a combination of this method would not yield the desired practical result in terms of revenue generation. There has to be separation of the two disparate methods of engendering internally generated revenue in order to boost government revenue particularly at the local government council level in Edo State. In a nutshell, the study's finding revealed that overall, the result indicates that the methods of collecting internally generated revenue (IGR) largely determine and have significant influence on internally generated revenue in Edo State. The finding is in tandem with Okoye and Ezejiofor (2014); Adewoye and Fasina (2008) studies.

5.0 CONCLUSION AND RECOMMENDATIONS

The thrust of this paper is to examine factors that could boost internally generated revenue collection in Edo State; Nigeria as a country is blessed with abundant resources, yet the government is unable to devise efficient and effective methods to enhance the collection of internally generated revenue. Most States and Local Government Councils are currently in the heat of financial crises and majority of them have sought for bail – out funds from the Federal Government. This has even encouraged social – vices and poverty in the land. Various steps and measures / methods taken by the government to ensure an improvement in the collection of internally generated revenues have not produced the expected results. Despite the number and varieties of studies, empirical evidence on the methods of collecting IGR in Nigeria has not been robustly examined. Hence this study is contributing in this regard. Similarly, the study contributes and conclude in literature that establishment of grass root revenue collection Centers can be significant as a method of IGR collection; the use of communal / village heads, use of technically trained and experienced revenue assessors / collectors as well as the use of e-revenue system, elimination of touts and agents could largely serve as an efficient method of collecting internally generated revenue in Local Government Councils in Edo State. Based on the findings obtained, this study suggests that the government at the grass root levels should encourage the use of community / village heads in the collection of revenues as this has the propensity to boost total IGR collectable periodically or at regular intervals. Some probable factors such as cultural practices, tradition, religion, beliefs, and poor network of roads and insecurity should be majorly considered by the government. To further ensure the efficacy of this method, the village / community heads so employed by the government should be made to sign undertakings with adequate guarantee ship in the period the contract / appointment is to last. The revenue collected from each houses in the community should be with adequate supervision / monitoring; and the total revenue so collected should be remitted to the government treasury within 24 hours. Similarly the government needs to set-

up an independent committee to check mate the efficiency of the process. The government should urgently recruit men and women of unquestionable character in large numbers to serve as Tax Marshalls in the collection of internally generated revenues for both states and local governments. The marshal so recruited should be deployed to all the rooks and crannies with point of sales terminals (POS) for the collection of taxes from existing and prospective tax / levy payers particularly in the informal sectors category in the state. This recommendation would prove miraculous on the internally generated revenue in both Local Government Councils and State Government particularly in the informal sector. This assertion is so because on day to day basis, common observation shows that a lot of market men and women desire to pay their taxes, levies / charges but they sometimes may not be able to leave their various stores, shops or point of sales to go to the bank or tax station either due to the nature of the petty trade wares they display or at most because of lack of bank is at proximity to them.

If the use of e-revenue system which majorly bothers on the use of point of sales (POS) or pay direct technology developed for electronic collection of taxes, duties, levies, fines and penalties; are encouraged, definitely there has to be drastic and stringent approach put in place to eliminate tax evasion, misappropriation and diversion of fund, and mismanagement of funds, if significant result should be achieved.   All payment made by the e-revenue system should be done through the use of e-card payers of government levies, fines, penalties and rates should be made to swop the card, as this would instantly make the amount of levy payable daily or periodically to be credited to the bank account of the government. If the use of e-revenue system is to assist the government, the process of having to pay cash directly to revenue collectors will stop, and reduce fund embezzlements. It has to be made mandatory through proper legislation perhaps by the State House of Assembly for every citizen to have e-payment card or slot for payment for any levy or charges or taxes. Of course it should be expected that the aftermath of this is that the IGR of the government will increase in an unprecedented manner. The government should decisively deal with anybody irrespective of the personality that tries to circumvent the laid down by-laws or rules governing the method of collecting IGR in Edo State. As this is the only way, a significant milestone can be achieved in improving collectible IGR. Appropriate sections and subsection of the law should be applied to any erring persons who attempt to circumvent the objective of the Local Governments Uniforms and Harmonized Levies, Rates, Fees and Charges Law, 2017.

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