Revenue Allocation and the Development of Ukanafun Local Government Area of Akwa Ibom State

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Abstracts
This research was carried out to examine revenue allocation and the development of Ukanafun, the Local Government area of Akwa Ibom State. The study was motivated by persistent crises in the fiscal relations among the three tiers of government in Nigeria, being that the Federal and State governments have exploited and stifled the effective performance of the local governments. Among others, the subsidiary objective was to examine the relationship between revenue allocation and the infrastructural development of Ukanafun local government Areas of Akwa Ibom State. The theoretical framework adopted in this work was the structural-functional theory, while data were gathered through qualitative and descriptive methods. Data gathered were analyzed through the use of content analysis. The major findings of the study revealed that that the total sum of N3,759,132,819.36 was allocated to Ukanafun L.G.A. from 2021 to 2023, while the local government council undertook about 6 infrastructure/healthcare-related projects in two and a half years. The study recommended, among others, that section 162 (6) of the constitution of the Federal Republic of Nigeria should be amended to cancel the State/Local joint account which will ensure financial autonomy for the councils. The Nigerian Financial Intelligence unit should be used effectively to address financial crime and to deter public officers from corrupt practices in the Ukanafun Local government area of Akwa Ibom State.

Keynotes: Fiscal federalism, Local Government, Local Autonomy, Revenue Allocation, Development.

Introduction

Every government pursues development by adopting macroeconomic blueprints under a given system of government. Nigeria operates a federal system through which it seeks to achieve its macroeconomic objectives by performing the functions of resource allocation, income distribution/redistribution, and economic stabilization among the federal government and the federating units (states and local governments). This system of performing government functions among the different tiers of government is called fiscal federalism (Buhari & Likita, 2001). Within a federal system like Nigeria, local governments are known to be closer to the people and hence could effectively alter the socioeconomic and political conditions within their jurisdictions. Apart from providing and maintaining basic infrastructures, local governments can complement the economic activities of other levels of government. Revenue allocations to the local government (LG) level become significant if Nigeria must become a developed Nation.

The main objective of this study is to examine revenue allocation and development in the Ukanafun Local Government Area of Akwa Ibom State. The subsidiary objectives are: to examine the relationship between revenue allocation and the provision of physical infrastructures in the Ukanafun Local Government Area; and to examine the relationship between revenue allocation and health care development in the Local Government Areas.

Theoretical Framework

Structural Functionalism

According to Crossman (2019), Structural Functionalism, also called functionalist perspective, or simply functionalism, is one of the major theoretical perspectives in sociology. This theory is associated with people like Daris Kingsley, Emile Durkheim, Radcliff Brown and anthropological orientations. For anthropologists like Radcliff Brown, structural functionalism is a fusion of cultural items in a society. It is the function of a phenomenon as the contribution it makes to the total social life as the function of the total social system. To him, such a view implies that the social system "has a certain kind of unity". It is a condition in which all parts of the social system work together with a sufficient degree of harmony (internal consistency) i.e. without producing persistent conflicts nor regulated (Atakpa & Udoms 2015). The theory highlights the contributions of a part to the general harmony of the whole.

When applied to this study, functionalism views Fiscal federalism as an instrument that promotes harmony and peaceful co-existence among levels of government in a Federated Nation. We can infer the following. First, a federated nation is made up of several levels or units which contribute to the success or survival of the entire polity. From the organism's point of view, the entire polity maintains its existence from the interdependence of the levels of the polity (federal, state, and local), that is various units or parts of the polity or system have certain needs for the survival of the polity. Secondly, the three levels of government existing in the federated state exist and work together to satisfy the needs of each other. In light of this view, the three levels of government in Nigeria can exist successfully if each cohabit with or interdepend on each other and through this method, satisfy each other's needs and so forth. In the discussion of intergovernmental fiscal relations, state, federal and local governments have their functions to contribute to the harmony of the Nigeria polity. Whatever happens to each of the structures can invariably affect the entire structure. This is because each of the levels of government interdepends on each other. On the strength of this, that critical understanding of Nigeria's polity can only be made when the levels of government are examined. The functionality of each of the structures gives credence to the entire polity.

Structural functionalism theory, therefore, finds expressions in intergovernmental fiscal relations. One part cannot exist without the whole while the whole cannot exist successfully without the part or unit for a critical understanding of the functionality of the part or unit.

The Problem

It is observed that local government allocations are being managed by the state government instead of the local government council chairmen. It is also popularly believed that the local governments in Akwa Ibom do not receive a quarter of the monthly allocations accruable from the federation account and this hinders development in the local government areas of Akwa Ibom State. It becomes obvious that most of the problems of the local government councils are financial where there is a terrific mismatch between their statutory functions and responsibilities. Apart from Statutory allocations, it could be noted that almost all the local government areas in Akwa Ibom State have no viable source of revenue to boost their income for even development. The flow of financial resources available to them tends to limit the development in the different local government areas in terms of infrastructure, primary health care delivery and proper management of local government administration in Akwa Ibom State. These issues prompted the researcher to carry out this study.

The aforementioned issues gave rise to the following questions: what is the relationship between revenue allocation and the physical infrastructures of the Local Government Areas of Akwa Ibom State? and to what extent does revenue allocation contribute to the health care system of the Local Government Areas of Akwa Ibom State? However, the study has the following hypotheses:

Ho1: There is no significant relationship between revenue allocation and the provision of physical infrastructures in the Ukanafun Local Government Area.

Ho2: Revenue allocation has no significant impact on health care development in Ukanafun Local Government Area.

Evolution of Revenue Allocation Formula in Nigeria

According to Chibueze, (2011), the revenue allocation formula in Nigeria is traceable to the increase in revenue generated by the discovery of oil in 1956 in Oloibiri (Rivers State presently Bayelsa State). Though the discovery was in small quantity, with time, it increased in commercial quantity. By 1903, oil exploration had begun, and the first shipment of oil was in 1958. This caught the attention of the nationalists in Nigeria. As a fallout of the 1957/58 constitutional conference, the colonial government appointed Sir Jeremy Ravisman and Ronald Tress to review the federal fiscal structure. The committee recommended that the regions should have authority over produce sales tax and sales tax on motor vehicle fuel. The committee also recommended the establishment of a Distribution Pool Account (DPA) to share federal collective revenues. In addition to the above, the commission recommended that the then practice of returning mining rents and royalties to the region should be discontinued, in light of the recommendation; the regions are to receive 50%, the federal government 20%, and other regions 30%. The highlight of the Raisman recommendation was the removal of the derivation principle for sharing the DPA. In its place, it introduced four variables: continuity, minimum responsibility, population and balanced development of the federation (Olowononi, 2017).

During this period, there were mineral resources in the three regions which were under the jurisdiction of those regions, the North, the West and the East. Each of the regions had total control of the mining and exploration of those minerals (Emengini (2018). As a follow-up to the Raisman and Tress Commission, Professor Aboyade was appointed the chairman of the technical committee on the allocation of federal revenue. The committee recommended that the proceeds of the federation account should be shared in the following formula; the federal government, 60%; state, 30%; and 10% goes to the local government. From this, the federal government was required to set aside 3% for the benefit of the mineral-producing areas and areas in need of rehabilitation from emergencies and disasters (Akinlo, 1999).

Still, on the committee's report, the horizontal allocation of revenue amongst the states was jettisoned, i.e., the existing principle of revenue sharing in the proportion of population and others. The committee noted that the sharing principle had proved to be illogical, inconsistent and unequal and that derivation had done much to poison inter-governmental relations, as well as hamper a sense of national unity. Despite its recommendation, there arose complaints in the polity, especially from areas that felt disfavored. For instance, Sylvester Ugoh, a member of the constituent assembly questioned the rationale of the report and its relevance to the 1975/1980 national development plan. Another member of the constituent assembly, Dr. Pius Okigbo lent credence to the criticisms by Ugoh. To settle the grievances trailing the Aboyabe report, the civilian regime of Shehu Shagari 1979 appointed Dr Pius Okigbo to receive the Aboyadie's committee report and make appropriate recommendations to it. After reviewing the report, the Okigbo panel recommended the following:

i. 53% for the federal government
ii. 30% for state
iii. 10% for local government
iv. 7% was set aside as special funds for the following purpose: federal capital territory, Abuja - 2.5%; the special problem of mineral producing areas - 2%; ecological problem - 1%; and revenue equalization fund - 1.5%.

For the horizontal allocation of revenue among states, the report adopted the following criteria: minimum responsibilities of government (40%), population (40%), social development factor/primary school enrolment (15%) and internal revenue effort (5%) (Danjuma, 2015).

After going through the report, the government made a few modifications and adopted it. It would have been a good one if the 10% was giving to the Local Governments. The Okigbo panel report was also criticized by concerned citizens; as a result of these criticisms, the Supreme Court in Lagos in

1981 gave a judgement which declared the report null and void. The 1981 Act was replaced by the 1982 revenue allocation (federation account) Act No. 1, 1982. The new Act of 1982 contained the following: States had 35% and the federal government had 50%, while the local government had 15%. The new Act had hardly gone into operation when the military struck in 1983 and overthrew the regime of Shehu Shagari (Jimoh, 2013).

The military regime under General Muhamadu Buhari in 1984 promulgated a new revenue allocation (federal account) Amendment Decree No. 36, 1984. The decree reserved 55% for the federal government; the states got 32.5, while 10% went to the local governments. 2% went to minerals-producing areas. This was the situation of things until 1985 when General Ibrahim Babangida took over power. The new regime did not alter its status until 1989 when it constituted a permanent revenue committee - National Revenue Mobilization and Fiscal Committee (NRMAFC) (Chibueze, 2011). On the horizontal level, the committee recommended equality of status at 40%, population at 30%, internal revenue effort at 20% and social development factor at 10%. The power to determine the vertical allocation formulae was vested in the national assembly. The committee's report was part of the 1989 constitution of the federal republic of Nigeria. In 1994, the new military regime was confronted by revenue-sharing crises and to solve this problem, the 1994/5 constitutional conference was mandated to immediately address the issue and recommend to the government the way out. After a rancorous session, the conference recommended that the allocation of revenue derived from their areas be restored to them, this recommendation was rejected by some states. Instead, they settled with a 13% derivation; this was the situation of the revenue allocation formula until the Military handed over to civilians in 1999.

According to Silas (2013), as the issue persisted, the president introduced a new revenue allocation formula in 1992 of which 56% was given to the federal government, 24.72% to the states and 20.60% to the local governments. The states' resistance to this formula prompted the federal government to reduce its share of the revenue to 52.68%, while that of the states was increased to 26.72%. Silas (2013) insisted that revenue allocation remained an issue as the contentious debate persisted; the states always criticizing the federal government for taking the lion's share, while the federal government's justification is always on its enormous responsibilities which include the cost of providing education, health care services, road energy and national security. What can be deduced from this is that the federal government is still having a field day and the State government is using the local government as a fish pond (Nwosu, 1999).

Importance of Revenue Allocation to National Development

Fiscal federation is the system of generating allocation and the redistribution of revenue in a federal system of government; its importance cannot be over-emphasized. In the postulation of Wiesuer (1995), fiscal federalism is an important tool for economic development. Through fiscal decentralization, more infrastructural developments are carried out in rural areas. With a well-designed policy framework to ensure the judicious use of funds, governments at various levels can achieve more even developments. This is the most reason why Atakpa and Udom (2015) posited that a crisis of governance where public institutions are intentionally made to malfunction for the interest of the gluttonous elite who play against the rule of law, promote their primordial interest against public interest hinders development.

Ter-Manassiah (1997) and Wildasin (1998) highlighted the benefits of fiscal federalism to include:

i. To bridge the fiscal gap that may result from a mismatch between revenue means and expenditure needs leading to revenue shortfalls.

ii. To compensate for the presence of interstate and local governments differential in income and resources capacities creates inefficiencies due to fiscally-induced migration as factors of production gravitate towards rich areas.

iii. To ensure common minimum standards across jurisdictions to enable poorer areas to provide acceptable level services.

Revenue is allocated to the Nigeria federating units to meet up with various constitutional assigned expenditures. Since the establishment of local governments in Nigeria, the assignments of government functions and revenue allocation amongst the three tiers of government have only yielded a positive impact at both federal and state levels of government while local governments remain underdeveloped (Amin, 2018). According to Essien (2015), revenue allocation over the years has contributed to the development of some local government areas that have judiciously made use of its statutory allocation. He further stated that the Physical infrastructures, health care facilities and power infrastructures are developmental indices carried out through the use of revenue accrued to the local governments. According to Ehule (2015), the provision of public schools, public health centres and public infrastructures requires the use of revenue from the federation account especially in situations where local governments are not economically viable.

Local Government Autonomy: The Setbacks

> *Depending on the constitutional and legal status of local governments, central/state governments in federal countries assume varying degree of oversight of the activities of the third tier in the provision of local public services. Even in unitary states, sub-national governments act on behalf of the central government. But care must be taken so that whatever level of control the state or central government has over the local government does not undermines its autonomy. This is particularly so because justifications for the existence of the local government as a tier of administration reinforces the essence of local governance as embedded in the decentralization theorem, perceiving a process in which government at the center devolves power to actors and institutions at lower levels for various reasons justified on both political and economic grounds (Atakpa & Igboeche (2019:125).*

Of course, the advantages of the economic side of the argument are in terms of the promotion of sustained and broad growth, as well as optimal use of local and national resources for economic development (Ekpo (2018).

According to Atakpa & Igboeche (2019:123) "the local government system in Nigeria was conceptualized along the lines of universal justifications on the indispensability of the third tier as a veritable purveyor of decentralized governance principles for bringing development to those who are presumed to be far from the direct purview of central governments; without which governance derivable (for lack of geo-political contiguity) would either take longer periods or many never reach them in the nearest foreseeable future or time. Unfortunately, local government councils are also the worst victims of extensive manipulation and control at the whims of state governors and rubber-stamp houses of assembly, a situation that gravely undermines the capacity of the third tier of government to deliver on its objectives"

Ironically, state governments are also at the forefront of the hues and cry over inadequate autonomy, marginalization of their areas of control and lack of fiscal federalism, adducing them as planks of management they (state governors and their respective houses of assembly) have not held sincerely to the tenets of true federalist principles (Atakpa & Igboeche, 2019). Even the former Governor of Akwa Ibom State in one of his speeches on Channels Television sought for increment in revenue allocation to the local government, saying that the current revenue accruing to local governments from the federation account was not enough owing by the numerous responsibilities expected of the local government, without admitting the fact that they (the state governments) should free the local governments from the current financial grip (see Channels Television.com,3/09/2021).

Though the 1999 constitution of the Federal Republic of Nigeria recognizes the Local government as the third tier of government, it neither makes direct provision for it as a distinct tier of government nor guarantees its autonomy. Apart from being listed in the fourth schedule of the constitution as an administrative unit of the state government, the local government is not on the concurrent list (Adulhamid & Chima, 2015). Rather, as noted by Jamo (2018), the same 1999 constitution which accorded local governments a third-tier status, instituted the state/local government joint account system. This has made them mere appendages of various state governments. With this, it is significant to note that the manipulations of the joint account system by the state governments do not grant local governments opportunities to execute developmental projects in their areas of jurisdiction. The interests of state governments are usually considered before embarking on any project. This hinders development on the grass root and is not good for a Nation that is interested in development. As observed by Baridam (2015), not only do state governors appoint their cronies to sensitive positions, they have taken absurdity several notches higher by appointing known criminal elements and renegades to the position of chairmen, councillors or supervisors, and as it stands, the local government has veered off its core mandate of catering for the needs of the local people. Therefore, there is no way development can be delivered on such a platform, the same reason our local government areas (where the majority of the Nigerian population reside) have not, and cannot provide the perks of development (Atakpa & Igboeche, 2019). Going by the above views, it is obvious that state Governors have influenced the local governments to the extent of using their positions at the local governments to compensate mediocre and Taliban who do not understand the nitty-gritty of governance.

Incidentally, the majority of governors who are at the forefront of agitations for restructuring/ reforms to cede power from the federal to state governments are the same who perfect the art of arm-twisting and manipulating the local government areas in their domain (Bayewu, 2018); Olawoyin, 2017). A case in point is when governors and their houses of assembly ganged up to frustrate the Local Government Autonomy Bill that was massively voted for by the Nigerian Senate on Wednesday, July 26, 2018, as part of amendments to the 1999 Constitution. In what was considered another robust move by the government of former president Buhari to reduce the hold of state governors on the finances of local governments, a new guideline on the management of local government funds was introduced on the platform of the Nigerian Financial Intelligence Unit (NFIU) on June 1, 2019. Its prescriptions were to limit cash transactions in the accounts of local governments to a daily maximum of N500,000 only and that subsequent withdrawals must be approved by cheques or electronic payment channels to promote registered transactions by all the local governments. By implication, the guidelines also deprive governors of control over the utilization of local government funds, as the joint account system in States is only to exist for the receipt of federal allocations meant for local governments and not disbursement. As expected, the unrepentant State Governors under the auspices of the Nigerian Governors' Forum filed a motion to restrain the NFIU from implementing the guidelines under the guise that it is unconstitutional. The request was, however, rejected by Justice John Tsoho of the Federal high court 2, Abuja (Adelpegba, 2019 and Oladele, 2019 cited in Atakpa & Igboeche, 2019).

Revenue Allocation and Infrastructural Development

Revenue is allocated to the Nigeria federating units to meet up with various constitutional assigned expenditures. While Jimoh (2013) believes that more decentralized governance in terms of an increase in the number of local governments and an increase in the transfer of revenue from the federation account to states and local governments influence socio-economic development of the three levels of government in Nigeria, Akinlo (1999) is of the view that state/local governments public expenditures are influenced by federal revenue and grants and that it is this revenue that states and local governments use to provide basic amenities, without which they will have difficulties. However, Amin (2018) observes that since the establishment of local governments in Nigeria, the assignments of government functions and revenue allocation amongst the three tiers of government have only yielded positive impacts at the federal and state levels of government, while local governments remain underdeveloped. Although the provision of public schools, public health centres and public infrastructures requires the use of revenue from the federation account especially in situations where local governments are not economically viable (Ehule, 2015), over the years, revenue allocations have contributed to the development of some local government areas that have judiciously utilized their statutory allocation in the areas of physical infrastructures, health care facilities and power infrastructures (Essien, 2015). This opinion is also shared by Akujuobi & Kalu (2019), Akeem & Usman (2011), Aigbokhan (1999), Emengini & Anere (2016) and Bello & Olalekan (2017).

The former President of Nigeria (Mohammadu Buhari) once stated that governors steal from local government council allocations. He condemned a situation where a state governor would receive allocation on behalf of council areas in his state only to remit half of such allocation to the council chairmen. In his words, "If the money from the Federal Government to the States is about N100 million, N50 million will be sent to the Chairman but he will give signatory that he received N100 million. The Governor will pocket the balance and share it with whoever he wants to share it with," (Channels television.com, 17 October,2022). This highhandedness by the State government is undermining grass root development.

Community based organizations and non-governmental organizations have criticized the performance of local council chairmen in states, insisting that many of them have nothing to show for the three years they had been in office. According to the Policy Expert, in an NGO, the local government councils have existed “only in name for the sole purpose of paying salaries and maintaining political patronage. “There are serious challenges with healthcare, education and infrastructure at the grassroots but yet the state government gives between ₦25m to ₦30m to the local government which is less than quarter of what is accrued to the local governments from the federation account. He further stated that if we had a functional local government system, we wouldn’t all be looking to the state government for answers” (Businessday.ng/politics.8 December 2020). In another development, a pro-democracy group, Centre for Human Rights and Accountability Network, has expressed deep concern that local government areas in Akwa Ibom State are not properly captured in the Arise Agenda of the present administration. This is as the group called on the governor to ensure all the local governments have access to their funds as allocated to them by the Federation Account Allocation Committee and 10% of the state’s internally generated revenue as stipulated in the 1999 Constitution. The group made the demands known in a statement issued in Uyo, by its Director, Deputy Director, on Public Affairs, on Monday 29 June, 2023. While condemning the continued use of the “State Joint Local Government Account” by state governors, the group urged the governor to change the narrative, by ensuring that the 31 local government councils in the state are adequately funded to carry out their constitutionally assigned functions (Premiumtimes.com. 29 June, 2023).

Methodology

The paper adopts qualitative and descriptive methods and the secondary data were analyzed through contents analysis.

Data Presentation and Interpretation

Table 1: Data on Monthly Allocations from the Federation Account to Ukanafun Local Government Area of Akwa Ibom State from January to December 2021

Month	**Revenue allocated to Ukanafun L.G.A in 2021**
1	133,288,078.05
2	143,347,081.89
3	123,843,933.71
4	158,953,802.15
5	133,433,215.72
6	142,446,092.91
7	133,623,112.41
8	153,818,104.09
9	151,309,519.21
10	145,916,713.18
11	172,712,188.91
12	166,074,576.63
Total	**1,487,420,340.81**

Source: National Bureau of Statistics (2021).

Table 2: Data on Monthly Allocations from the Federation Account to Ukanafun Local Government Area of Akwa Ibom State from January to December 2022.

Month	Revenue allocated to Ukanafun L.G.A in 2022
1	158,914,802.11
2	140,930,183.63
3	181,968,073.77
4	149,098,078.73
5	159,230,634.86
6	182,012,302.09
7	195,960,921.70
8	231,279,399.50
9	174,714,300.46
10	184,578,653.53
11	188,301,860.42
12	217,724,153.14
TOTAL	**2,005,798,561.83**

Source: National Bureau of Statistics (2022).

Table 3: Data on Monthly Allocations from the Federation Account to Ukanafun Local Government Area of Akwa Ibom State from January to June 2023

Month	Revenue allocated to Ukanafun L.G.A. in 2023
1	189,391,594.68
2	245,695,118.49
3	226,223,415.55
4	218,798,462.95
5	255,986,862.83
6	265,913,916.72
TOTAL	**1,402,209,371.22**

Source: National Bureau of Statistics (2023).

Table 4: Summary of the Total Revenue Allocated to Ukanafun Local Government Area of Akwa Ibom State from the Federation Account within two and a half Years

Local Government Area	Interval of Years	Total Revenue Allocated
Ukanafun	$2^{1/2}$ Years	3,759,132,819.36

Source: Field Work 2023.

Developments Programmes in Ukanafun Local Government Area in Two and a Half Years
Physical Infrastructures:

1. Construction and completion of the statue of the first Local Government Chairman, Late Hon. Bar. Asuquo Ukpanah
2. Construction of lock -up stores in Akpan Assiek Market
3. Ongoing construction of Late Hon. Udo Ekpeyong legacy hall
4. Provision of ultra-modern toilet facility in the Local Government Council secretariat
5. Grading of Ikot Odiong road
6. Grading of Akpan Assiek market road (Isong, 2022).

Table 5: Total Revenue to Ukanafun Local Government Area and its Achievements in Two and a half Years

Year	Revenue	Physical Infrastructure	Health Care Facilities	Total
2021	1,487,420,340.81	2	-	2
2022	2,005,798,561.83	3	-	3
2023(Jan-June)	1,402,209,371.22	1	-	1
TOTAL	**3,759,132,819.36**			**6**

From Table 5 it could be noted that in the year 2021, a total sum of N1,487,420,340.81 was allocated to Ukanafun Local government from the federation account of which the physical infrastructures embarked upon by the Council were 2 (Statue of Late Hon. Bar. Asuquo Ukpanah and Lock up Stores) while nothing was done in the health sector. In 2022, it could also be observed that a total sum of 2,005,798,561.83 was allocated to Ukanafun local government from the federation account of which the physical infrastructures embarked upon by the Council were 3 (Late Udo Ekpenyong legacy hall, ultra-modern toilet facility and grading of Ikot Odiong road). There was no project undertaken in the health sector. In 2023, between January and June, an estimated sum of 1,402,209,371.22 was allocated to Ukanafun local government from the federation account from where the Council carried out just 1 physical infrastructure project, that is, the grading of Akpan Assiek Road. In all, a total of 3,759,132,819.36 was allocated to Ukanafun L.G.A within 21/2 years and the local government council was able to undertake only 6 developmental projects within the same period.

Discussion of Findings

The findings above indicate that a total sum of ₦3,759,132,819.36 was allocated to Ukanafun L.G.A within $2^{1/2}$ years from where the local authority undertook about 6 developmental project. Although this finding suggests a positive insignificant relationship between revenue allocation and the physical infrastructures of Ukanafun Local Government Area of Akwa Ibom State, it does not appear that this level of infrastructural development commiserates with the volume of allocations that accrued to the Government Council during the period. This is reinforced by the failure of the local government to undertake even one project in the health care sector. This means that there is no significant relationship between revenue allocation and health care development in Ukanafun local government area of Akwa Ibom State. This finding conforms with the result of a study by Emengini & Anere (2016) who found no influence to socioeconomic status of states and local councils by the level of revenue accruing to local government from the federation account. It also confirmed the work of Amin (2018) who conducted a study on the impact of revenue allocation and rural development in Nigeria and found that revenue allocation does not contribute to rural development.

However, the study is in disagreement with that of Akujuobi and Kalu (2019) found a significant effect of statutory allocation on socio-economic development of Nigeria. Aigbokhan (1999) found a significant relationship and a high concentration ratio of expenditure and revenue using multiple linear regression technique to examine fiscal decentralization and infrastructural development of Nigeria. The impact of fiscal decentralization of revenue to individual federating units on infrastructural development of Nigeria was also demonstrated in the studies by Akeem & Usman (2011) who found that both shares of federal government and local governments' revenue from federation account contribute to infrastructural development/economic growth process in Nigeria. Jimoh (2013) found that more decentralized governance, in terms of increase in the transfer of revenue from federation account to states and local governments influence socio economic development in Nigeria. Akeem & Usman (2011) used the development rate of shares of the federating units from federation account as proxies and founds a direct relationship between revenue allocations to federal, states, and local governments and infrastructural/economic growth process in Nigeria.

Conclusion

In conclusion, Local government councils in Nigeria are charged with several responsibilities related to the welfare and improved standard of living of large segments of the country's population, particularly in the rural areas. It could be noted that the Ukanafun local government area pays just a little attention to the development of physical infrastructures, without taking cognizance of its healthcare responsibilities. The local government has not recorded any project in the health sector which is one of the most critical areas of development in the local setting, thus, the local government does not live up to expectations as an agent for grass root development. It also reinforces the doubts by many Akwa Ibom people about whether the state government disburses the exact amount that accrues from the federation account while attempting to match the total amount of revenue that accrued to Ukanafun L.G.A within two and a half years with the number of projects recorded within the same period.

This study explained the financial relationship of Nigerian local government vis-à-vis State and Federal Government using the theory of Structural functionalism. There is no Local government that can perform creditably without adequate finance. Given the above, there is a need to improve both external and internal sources of revenue and to rationalise its expenditure patterns, to achieve optimum performance.

Recommendations

1. Government should carry out a constitutional amendment to remove clause 162(6) of the "State/ local government joint Accounts" from the constitution, to enhance the availability of funds for the achievement of both physical infrastructures and health care services.
2. The state government should concentrate on its resources and allow the local governments to function freely, to access the federation account to get what belongs to them as this will enable local government to achieve more infrastructure and health care services.
3 The provisions of the Nigerian Financial Intelligence unit should be implemented effectively to address financial crimes and to deter public officers from corruption practices as this will enhance the achievement of both physical infrastructures and the heal.th care system of Ukanafun local government area.
4. The local government should also declare a state of emergency in its health sector to strengthen its health system as it is one of the most critical sectors of rural development.

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