Impact of Internally Generated Revenue on the Development of Kabba/ Bunu Local Government Area, Kogi State, Nigeria

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Abstract
This study examined the impact of internally generated revenue on the development of the Kabba/Bunu Local Government Area in Kogi State, using secondary data from 2016 to 2024. **.** *The study was necessitated by the slow rate of development in the Local Government Area. The Generalised Method of Moments (GMM) was the appropriate analytical technique employed. The result showed that while State of Origin Certificate Issuance Fees (SOCIF) had a negative but not significant impact on the development of Kabba/Bunu Local Government Area, Market Fees (MF) had a negative but not significant impact on the development of Kabba/Bunu Local Government Area. However, the result revealed that Marriage Registration Fees (MRF) had a positive but not significant impact on the development of Kabba/Bunu Local Government Area, and Burial Fees (BF) had a significant positive impact on Kabba/Bunu Local Government Area development. The study concluded that the components of internally generated revenue had differing impacts on the development of Kabba/Bunu Local Government Area. While SOCIF and MF had negative impacts, MRF and BF had positive impacts. Thus, the study recommended that revenue from State of Origin Certificate Issuance fees should be remitted accordingly to the appropriate account and used sincerely for the development of the local government area. Also, there should be adequate orientation for the people on the importance of paying market fees to support the development of the local government area. Also, there should be accountability for the fees collected. The staff with the responsibility of collecting Marriage Registration fees should be accountable and ensure full remittance of the proceeds to the appropriate government account to trigger positive developments. Finally, transparency and proper accountability of the revenue realised from burial fees are necessary for further development of the local government area.*

Keywords: Internally generated revenue, state of origin certificate issuance fees, market fees, marriage registration fees, burial fees, development of local government area, Nigeria.

1. Introduction

Local government is the third tier of government constitutionally empowered to administer governance at the grassroots. The first and second tiers of government are the federal and state governments. The local government exercises governance through representative councils established by law to exercise specific powers within the defined areas. In Nigeria, the Chief Executive Officer at the local government level is called the Chairman, and the legislature is composed of elected councillors representing each of the wards in the local government area. Nigeria has a total of 774 local government areas recognised by the country's constitution, and they receive federal allocation as shared by the Federal Account Allocation Committee (FAAC) (Damilola, 2026)

Before Nigeria's independence in 1960, the British colonial administrators used traditional rulers and warrant chiefs to run the local governments, then called Native Authorities. The colonial masters used the native authorities for tax collection, law enforcement and public works. However, the 1976 Local Government Reforms changed the system of native authorities into a modern third tier of government. As the third tier of government, local governments are responsible for grassroots development, maintenance of public infrastructure within their territory, local economic regulations and provision of basic community services directly to the people (Chukwuemeka, 2013). Thus, internally generated revenue is very important to the local government councils as it supplements federal allocation, enabling the councils to execute development projects in their domain.

Kabba/Bunu local government area was created in October 1996 by the late Head of State, General Sani Abacha. As the government at the grassroots, it faces challenges of development. Indigenes of the local government desire modern facilities, a good road network and mass transit services. As captured in Chukwuemeka et al. (2014), one of the fundamental aims of the local government system is to provide appropriate services and development and respond to the wishes and needs of the people. Both the state and local government need internally generated revenue to function well, as the success or failure of every administration depends on the financial resources available and the utilisation of the resources (Nigeria Governors' Forum, 2015).

It is worthy of note that the performance of local government councils as the government at the grassroots level is measured by the quality and quantity of services rendered to the people. Thus, for the councils to render meaningful services, in the form of provision of basic amenities, construction and maintenance of roads, creation of employment opportunities for the citizens and payment of staff salaries as and when due, money is undoubtedly required.

However, one of the fundamental problems in local government financial administration is the issue of ineffective utilisation of revenue available to the local government. Unfortunately, Kabba/ Bunu Local Government is not left out of this problem, which could adversely affect its financial administration and development of the area. Furthermore, lack of accountability and mismanagement of the council's finances worsen the issue of poor development of the area. Moreover, delay in remittance of allocation to the local government councils by the federal/state government is another problem facing Kabba/Bunu Local Government. It is therefore against this background that this research is undertaken to analyse the impact of internally generated revenue on the development of Kabba/Bunu Local Government Area of Kogi State, Nigeria.

The main objective of the study is to examine the impact of internally generated revenue on the development of Kabba/ Bunu Local Government Area. Thus, the specific objectives of the study are to**:**

i. assess the impact of state of origin certificate issuance fee on the development of Kabba/ Bunu Local Government Area;
ii. determine the impact of market fees on the development of Kabba/ Bunu Local Government Area;
iii. study the impact of marriage registration fees on the development of Kabba/ Bunu Local Government Area; and

iv. examine the impact of burial fees on the development of Kabba/Bunu Local Government Area.

Consequently, the research questions for the study are as follows:

i. To what extent is the impact of state of origin certificate issuance fees on the development of Kabba/ Bunu Local Government Area?
ii. What is the impact of market fees on the development of Kabba/ Bunu Local Government Area?
iii. To what extent is the impact of marriage registration fees on the development of Kabba/ Bunu Local Government Area?
iv. What is the impact of burial fees on the development of Kabba/ Bunu Local Government Area?

Thus, the research hypotheses stated in null form include:

Ho_1: State of Origin Certificate Issuance Fees have no significant positive impact on the development of Kabba/ Bunu Local Government Area.

Ho_2: There is no significant positive impact of Market Fees on the development of Kabba/ Bunu Local Government Area.

Ho_3: Marriage Registration Fees do not have a significant positive impact on the development of Kabba/ Bunu Local Government Area.

Ho_4: Burial Fees have no significant positive impact on the development of Kabba/ Bunu Local Government Area.

The study covered the period 2016-2024. State of Origin Certificate Issuance Fees, Marriage Registration Fee, Market Fees and Burial Fees were used as the independent variables, while the development of Kabba/Bunu Local Government Area was employed as the dependent variable.

2. Literature Review

2.1 Conceptual Review

2.1.1 Overview of Internally Generated Revenue (IGR)

Internally generated revenues (IGR) refer to the funds raised independently by a subnational government, such as a state or local council, from sources within its territory, different from statutory allocations distributed by the federal government. Internally generated revenue is a major source of funding for infrastructural development in both state and local governments (Ayebaenemi et al., 2024). Thus, Kabba/Bunu Local Government generates its internal revenue through marriage registration fee, market fee, state of origin issuance fee, burial fee, etc.

The components of the local government's IGR include tenement rates, market fees/levies, motor park levies, business premises permits, licensing charges, marriage registration fees, certificate of origin or state of origin certificate insurance fees, burial fees, rent, royalties and fines.

i. **Tenement Rates:** These are property and building rates levied on owners or occupants of real estate within the local government area (Sani, 2026).
ii. **Market Fees/Levies:** Market fees or levies are charges levied on traders or vendors for using a designated space to sell goods or services in a public market. These fees are typically collected by the local authority or a designated entity managing the market. Market fee is an amount levied on the sale or purchase of agricultural produce in a public market. The following persons pay market fees (Ojedokun, 2023).
iii. **Motor Park Levies:** These are fees collected from commercial transport operators, buses and taxis using the local government's motor parks (Sani, 2026).

iv. **Business Premises Permits:** These are registration and renewal fees charged on commercial kiosks, shops, and corporate businesses operating in the area.

v. **Licensing Charges:** These are fees charged for issuing bicycle/cart, liquor and dog licenses (Joseph & Adie, 2024).

vi. **Marriage Registration Fees:** Marriage registration fees are statutory fees charged at local government marriage registries for marriages contracted.

vii. **Certificate of Origin/State of Origin Certificate Insurance Fees:** These are fees charged for the issuance of a document to certify that the bearer is an indigene of a particular local government or state in Nigeria.

viii. **Burial Fees:** Burial fees are charged by the local government council before the family of the deceased obtains approval to proceed with the burial rites or bury the body in the local government cemetery or burial ground.

ix. **Rent:** These are earnings from leasing local government-owned halls, lock-up shops, heavy equipment or landed property.

x. **Royalties:** These are payments made to the local government for using its intangible assets like patents, copyrights or extracting natural resources within its borders.

xi. **Fines:** These include revenues generated from the mandatory monetary penalties that are imposed by a customary or magistrate court operating within the local government area.

2.1.2 Development

In the context of the local government, development is the improvement in the socio-economic and physical well-being of the people living at the grassroots. It covers personal, economic and infrastructural aspects of their living. It involves the use of the available resources for economic growth and improvement of the standard of living of the people. Economic development is the process of improving the economic, social, and political well-being of the people. It involves strategic initiatives to increase economic growth, improve infrastructure and enhance sustainable development (TRT World Research Centre, 2026)

The key aspects of development include the economic aspect, social aspect and environmental aspect.

i. **Economic Aspect:** The economic aspect of development includes income and wealth, infrastructure and production.

ii. **Social Aspect:** This includes health and education, equity and freedom and institutions.

iii. **Environmental Aspect:** This concerns the sustainability of natural resources so that current growth would not harm future generations.

2.2 Theoretical Framework

This research is anchored on benefit theory. However, this study also explains endogenous growth theory.

2.2.1 Benefit Theory

The benefit theory of taxation or benefit-received principle was initially developed by Knut Wicksell in 1896 and expanded/formally propounded by Erik Lindahl in 1919. The theory explains that citizens tend to pay more taxes when they feel that they have sufficient benefit from the activities of the government (Nightingale, 2002). The theory, however, argues that the services provided by the government to the people are not quantified or measured, especially as some citizens who pay taxes do not have the opportunity to enjoy the benefits (Sokoh,2023). Thus, the local government should ensure that the citizens enjoy benefits that should come with governance to the people. If the people feel the impact of governance, they will not hesitate to fulfil their civic obligations, including payment of tax and levies.

2.2.2 Endogenous Growth Theory

Endogenous growth theory was formalised by Paul Romer in 1986, that economic growth is primarily influenced by internal factors and not external forces. The other contributors to the theory include Robert Lucas, who, in 1988, emphasised the accumulation of human capital (education and training) as the driver of productivity; and Kenneth Arrow, who fronted the idea of "learning by doing" in 1960, as he advocated that experience boosts productivity organically. The theory affirms that economic growth relies on investment in human capital, innovations and knowledge (Sokoh, 2023). The theory places emphasis on technological advancement and ideas as the heart of economic expansion. Hence, Liberto (2026) supported that endogenous growth theory focuses on how internal factors like innovation, investment and human capital contribute to sustained economic growth. Thus, economic development is well-achieved at the local level when the local leaders use the resources available at that level to train/build the people, promote new ideas including technology and create good rules.

2.3 Empirical Review

Okon and Uwah (2023) examined the relationship between internally generated revenue and infrastructural development in Akwa Ibom State. The study used secondary data sourced from the office of the Accountant General of Akwa Ibom State, and the data were analysed using a simple regression technique. The result showed that internally generated revenue has a positive relationship with infrastructural development in the state. The study concluded that there was an absence of a balanced approach to internally generated revenue (IGR) appropriation to infrastructural development. Thus, it was recommended that IGR allocation should be redirected to infrastructural development, health and sanitation.

Ojedokun (2023) examined the relationship between internally generated revenue and local level service provision in Oyo State. The study used primary data sourced from people in Ibadan North East and Ibarapa East Local Government Areas. Ordinary Least Squares (OLS) regression was employed as the technique of analysis. The results of the study showed that internally generated revenue had a significant impact on service delivery at the grassroots level. Therefore, it was concluded that funds generated internally by the local government authorities are more effectively for the provision of services to the local populace.

Amadi and Okorontah (2024) examined the effect of internally generated revenue on infrastructural development in Rivers State. The study used an ex-post facto research design and secondary data were extracted from the Nigeria Bureau of Statistics' annual report and River State internal revenue records from 2010 to 2022. The study adapted the dynamic ordinary least squares technique (DOLS). The results from DOLS revealed that tax revenue, revenue from ministries, departments and agencies, as well as federal allocation, have a positive effect on infrastructural development in River State. The study concluded that internally generated revenue has a significant effect on infrastructural development in River State. The study recommended that the government of River State should expand the tax base of the state to enhance tax revenue with minimal burden on citizens. Judicious use of federal allocation by the state government should be given utmost priority in order to improve the infrastructural development of the state.

Joseph and Adie (2024) examined the effect of internally generated revenue on the economic growth of Cross River State. The data for the study were gathered from secondary sources including reports of the Ministries, Departments and Agencies of Government. The study employed ordinary least squares (OLS) multiple regression techniques to establish the effect of the independent variables such as taxes, licenses and school charges on the dependent variable, which is economic growth. The result indicated a positive but not significant effect of taxes on the economic growth of Cross River State. Notwithstanding, the result showed a negative and significant effect of licenses on the economic growth of Cross River State, and there was a positive but not significant effect of school charges on the economic growth of Cross River State. The study recommended that the state government should increase its revenue to fund the capital expenditure of the state. Also, the state government should diversify its economy and explore the non-oil sector of the state economy, especially to correct the disparity between revenue and expenditure and reduce the attendant budget deficit witnessed over the years.

Simon and Gbegi (2021) studied the effect of internally generated revenue on the economic growth of Plateau State. The study adopted time series data from 2014 to 2019, using data from Plateau State Bureau of Statistics and the Plateau State Internal Revenue Service. The data were analysed using descriptive statistics and a simple line graph, and the null hypotheses were tested using ordinary least squares with the aid of EViews version 10. The result of the study showed that the internally generated revenue had a significant effect on the economic growth of Plateau State. The study recommended that information communication technology (ICT) for revenue generation should be upgraded or replaced with a more recent one to meet the demands of both the taxpayers and the administrators, and that the government should invest in innovations, human capital and knowledge management and any other government policy that would boost economic growth in the state.

Ayebalenemi et al. (2024) investigated the impact of internally generated revenue on economic growth in Ebonyi State. This study used secondary data obtained from the Ebonyi State Ministry of Budget, Planning, Research and Monitoring, the Office of the Accountant General of the State and Ebonyi State Internal Revenue Service for the period under study. The study used multiple linear regression models involving ordinary least squares (OLS) estimation approach (using EViews econometric software version 12) to analyse the data collected. The results showed that pay-as-you-earn has a significant negative impact on gross domestic product; that there is the presence of a negative and significant impact of withholding tax on gross domestic product; that direct assessment tax and administrative tax had a positive and significant impact on gross domestic product in Ebonyi State, Nigeria. The study recommended, among others, that the Nigerian government should pay particular attention to the reduction of the pay-as-you-earn (PAYE) rate because a high PAYE rate has the tendency of adversely affecting gross domestic product. Again, Ebonyi State government should expand the tax yield through restructuring its direct assessment tax dragnet.

Kabiru et al. (2024). The study examined the importance of internally generated revenue (IGR) on service delivery in Sokoto State. The study employed both primary and secondary methods of data collection. Primary data were obtained from the officials of the state board of internal revenue, while secondary data were sourced from the state’s financial statement and reports. Regression analysis and correlation coefficients were used to evaluate the level of relationship between the variables. The result highlighted how little internally generated revenue affected Sokoto State's service delivery and its inefficiencies and offered potential solutions. In conclusion, the study suggested that Sokoto State should enhance its IGR policy direction to provide goods and services to the people. The study recommended using all of the IGR components to finance Sokoto State's capital expenditures.

Amin (2018) examined the impact of internally generated revenue on community development in Asa Local Government Area of Kwara State. The study relied on both primary and secondary data. Two hundred and eighteen (218) questionnaires were administered, collected and analysed using the Statistical Package for the Social Sciences (SPSS) software. The results showed that Asa Local Government generates revenue from internal and external sources. External sources are the statutory allocation from the federal account and borrowed money from the state government. Tax enforcement is not efficient, and the majority of the respondents agreed that local government officers are more efficient than consultants. The study recommended that better training, autonomy and job motivation could help revenue collectors to perform efficiently, while proper utilisation of revenue generated would encourage taxpayers to pay their taxes regularly.

Mbah and Onuora (2018) examined the effect of internally generated revenue on infrastructural development of South East States of Nigeria. An ex-post facto research design was used. Data used were extracted from budget estimates of each of the five South Eastern States. The study employed descriptive statistics, correlation and linear multiple regression for data analysis. The result from the analysis revealed that a significant relationship exists between internally generated revenue and the cost of infrastructure in the South East States as at the date of the study. Based on the findings, the researcher recommended that the government should increase IGR in order to meet the cost of infrastructure.

Ogbu et al. (2017) assessed the utilisation of internally generated revenue in Ebonyi State. This study used secondary data extracted from the audited financial reports from the office of the Auditor General from 1996 to 2014. The study employed simple regression to analyse the data. The result showed that IGR had no significant impact on road infrastructure but significantly impacted educational and water infrastructure. It was therefore concluded that IGR had made a positive but uneven contribution to the development of infrastructure in the state, as some aspects like water and educational infrastructure were seen to have received more boost than road infrastructure. The study recommended the use of tax consultants for efficient and effective collection of IGR, as the continued use of unskilled staff in the SBIRS would not maximise IGR collection.

Omodero et al. (2018) investigated the impact of internally generated revenue on economic development of Nigeria. The study used an ex-post facto research design, and time series data sourced from the Central Bank of Nigeria (CBN) Statistical Bulletin spanning 1981-2016. The multiple-regression and t-test techniques were used to analyse data, and the results showed that Federal Government Independent Revenue (FIGR), State Internally Generated Revenue (SIGR), and Local Internally Generated Revenue (LIGR) have a robust and significant positive impact (p-value=0.000<0.05) on Real Gross Domestic Product (RGDP). The study concluded that the positive impact of IGR is not out of place, but the physical evidence is apparently lacking, and therefore government policies that could eradicate sharp practices in the government system were required. The study also recommended that government officials with a history of corruption should not be allowed to continue to handle responsibilities; rather, people with outstanding integrity should be allowed to occupy government positions that are sensitive and could help achieve economic development objectives.

2.4 Gap in Literature

The previous studies reviewed did not use market fees, state of origin certificate issuance fee, and marriage registration fees as independent variables to measure internally generated revenue. Therefore, this research fills the gap in knowledge by employing these variables as a measure of internally generated revenue to check its impact on development.

3. Research Methodology

This study used an ex-post facto research design and employed secondary data sourced from Kabba/Bunu Local Government Council's General Purpose Financial Statement from 2016 to 2024. Ordinary Least Squares (OLS) regression technique was used in analysing the data collected. The model employed in this study is specified as follows:

Dev = f (SOUF, MF, MRF, BF) - - - - - - (i)

$Dev = a_o+a_1+SOCIF+a_2MF+a_3MRF+a_4BF+e$ - - - - (ii)

Where:

Dev = Development

SOCIF = State of Origin Certificate Issuance Fees

MF = Market Fees

MRF = Marriage Registration Fees

BF = Burial Fees

a_o = Constant

a_1-a_4 = Regression Coefficients

e = Error Term

4. Results and Discussion

4.1 Preliminary Tests

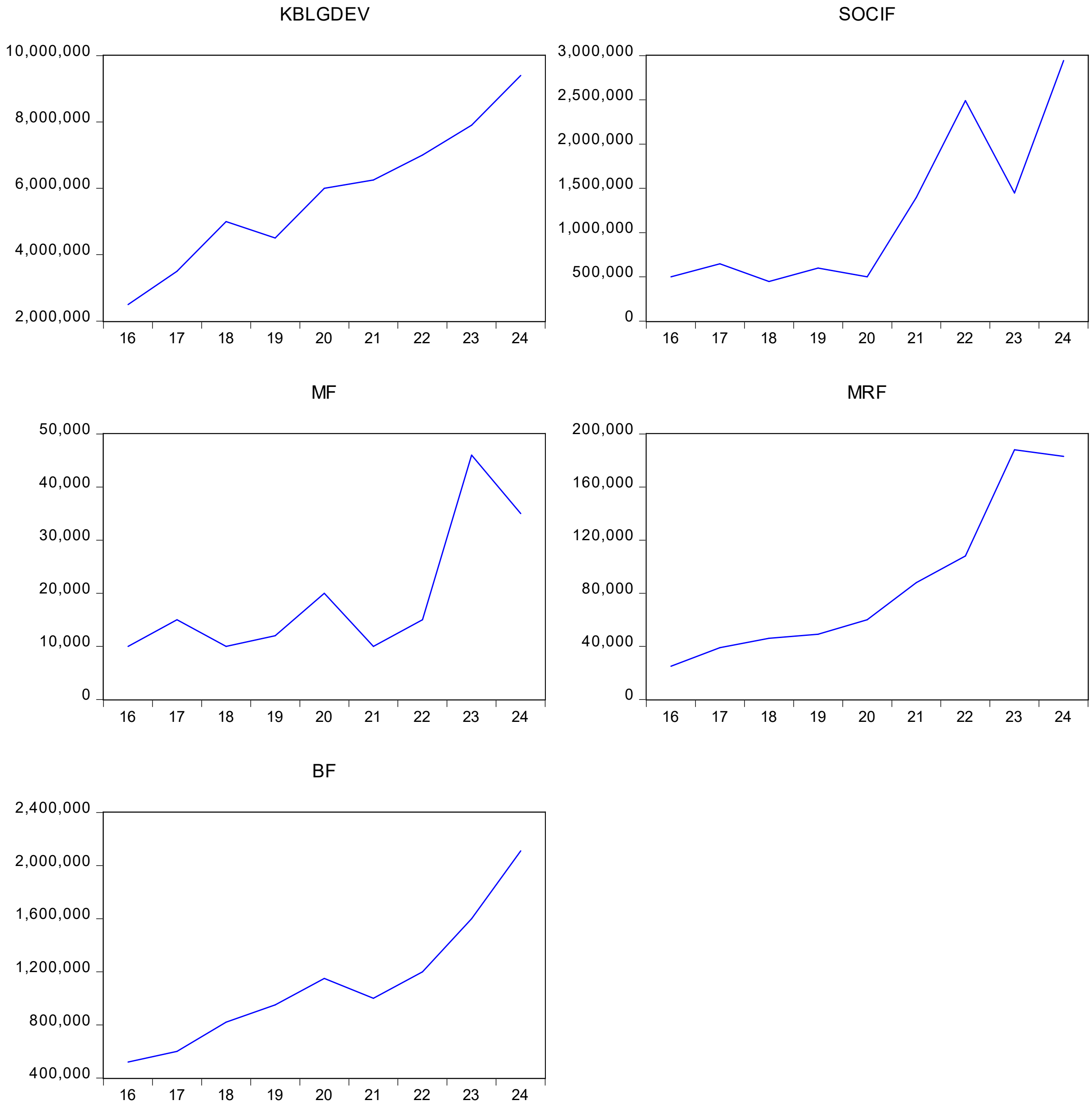

Figure 1: Graphical Analysis of the Raw Data

The graphical analysis of the raw data presented in Figure 1 indicates that the Kabba/Bunu Local Government Development Expenditure (KBLGDEV) increased consistently from 2016 to 2019, when it dropped before bouncing back to an upward trend from 2020 to 2024. However, the revenue from State of Origin Certificate Issuance Fees (SOCIF) and Market Fees fluctuated significantly and dwindled at some points during the period under consideration (2016 – 2024) and does not seem to support the development spending pattern. Notwithstanding, Marriage Registration Fees (MRF) increased gradually up to 2023 and decreased in 2024. However, Burial

Fees (BF) maintained an upward trend, with a little decrease in 2021, and continued upward till 2024. The BF really supports the development spending pattern of the Local Government.

Table 1: Descriptive Statistics

	KBLGDEV	SOCIF	MF	MRF	BF
Mean	5783350.	1219256.	19222.22	87333.33	1105556.
Median	6000000.	648000.0	15000.00	60000.00	1000000.
Maximum	9400000.	2944200.	46000.00	188000.0	2110000.
Minimum	2500050.	448000.0	10000.00	25000.00	520000.0
Std. Dev.	2166798.	936182.1	12794.31	61094.19	497446.3
Skewness	0.114821	0.900445	1.281847	0.815169	0.836882
Kurtosis	2.168332	2.307243	3.155035	2.148277	2.912027
Jarque-Bera	0.279153	1.396168	2.473709	1.268788	1.053459
Probability	0.869727	0.497538	0.290296	0.530257	0.590533
Sum	52050150	10973300	173000.0	786000.0	9950000.
Sum Sq. Dev.	3.76E+13	7.01E+12	1.31E+09	2.99E+10	1.98E+12
Observations	9	9	9	9	9

Source: Computed by the Author using EViews 10

The descriptive statistics for the data series presented in Table1 showed the mean, median, maximum value, standard deviation, skewness, kurtosis, Jarque-Bera value and its probability, sum of squares and its deviation, as well as the number of observations. Notably, the probability of the Jarque-Bera statistic is higher than 0.05 for all the variables considered in this study, meaning that the values in each data series were normally distributed.

Table 2: Unit Root Test Results

Variable	Augmented Dickey-Fuller (ADF) Test Statistic	1% Level Critical Value	5% Level Critical Value	10% Level Critical Value	Order of Integration	Prob. *
SOCIF	-3.835640	-4.803492	-3.403313	-2.841819	I(1)	0.0299
MF	-4.355217	-5.119808	-3.519595	-2.898418	I(1)	0.0210
MRF	-1.348767	-5.604618	-3.694851	-2.982813	NIL	0.5173
BF	-2.739997	-5.119808	-3.519595	-2.898418	NIL	0.1202
KBLGDEV	-4.338666	-4.803492	-3.403313	-2.841819	I(1)	0.0167

Source: Computed by the author using E-Views 10

Table 2 shows that SOCIF, MF and KBLGDEV are stationary at first difference, indicating the existence of a unit root in the data series. However, MRF and BF were not stationary even at second difference, thus making Generalised Method of Moments (GMM) the appropriate technique of analysis. GMM is a regression technique that can handle complex models and data structures.

4.2 Regression Analysis

Table 3: GMM Regression Result

Dependent variable: KBLGDEV
Sample: 2016 – 2024
Included Observations: 9

Variable	Coefficient	Std Error	t-Statistic	Prob.
SOCIF	-0.171787	0.507761	-0.338323	0.7489
MF	-56.84391	61.64860	-0.922063	0.3988
MRF	5.817972	16.55917	0.351344	0.7397
BF	5.911210	0.419480	14.09175	0.0000

R-squared = 0.877435
Adjusted R-squared = 0.803896
Durbin-Watson stat = 1.960428
J-statistic = 2.577740
Prob(J-statistic) = 0.108376

Source: Computed by Researcher using E-Views 10

The Generalised Method of Moments estimation output presented in Table 3 indicates that State of Origin Certificate Issuance Fees and Market Fees have a negative but not significant impact on Kabba/Bunu Local Government Development. Furthermore, Marriage Registration Fees have a positive but not significant impact on Kabba/Bunu Local Government Development. Whereas Burial Fees have a positive and significant impact on Kabba/Bunu Local Government Area Development.

The R-squared value shows that approximately 88% of the changes in Kabba/Bunu Local Government Development are jointly caused by the internally generated revenue from State of Origin Certificate Issuance Fees, Market Fees, Marriage Registration Fees and Burial Fees. Further, the adjusted R-squared of approximately 80% supports the goodness-of-fit of the model, that 80% of the variations in the dependent variable are accounted for by the independent variables in the model. The Durbin-Watson statistic of approximately 2 indicates that there is no issue of autocorrelation in the analysis, implying that the results are reliable. Moreover, the J-statistic with a probability higher than 0.05 shows that the instruments used in the model are valid; therefore, the overall analysis is valid.

4.3 Residual Tests

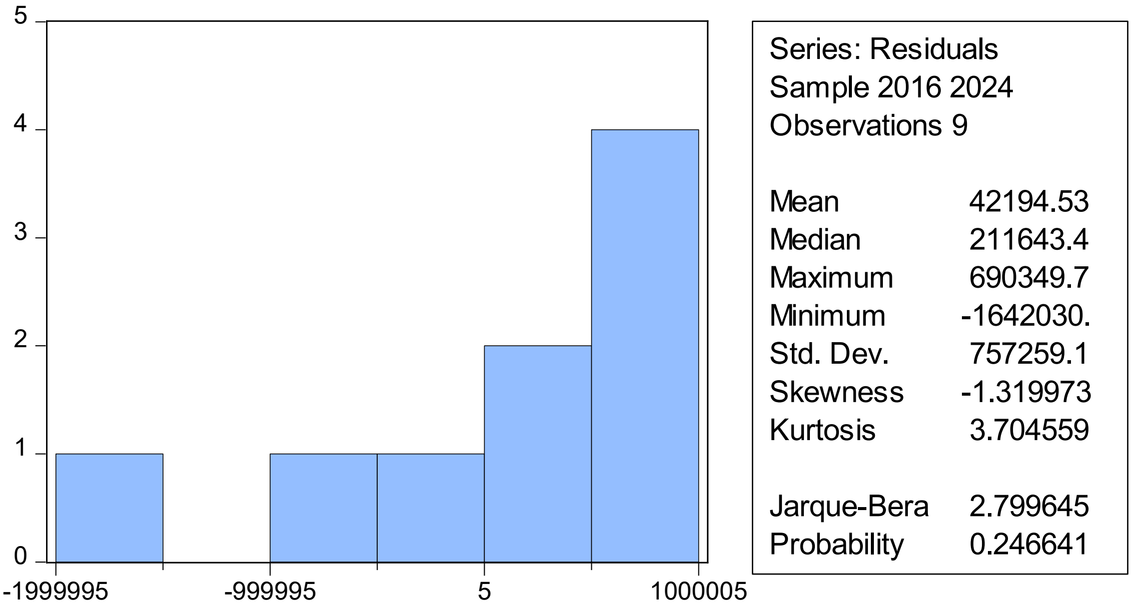

Figure 2: Residuals

Figure 2 presents the mean, median, maximum and minimum values, standard deviation, skewness, kurtosis, as well as the Jarque-Bera statistic and its probability for the residuals. Thus, the probability of the Jarque-Bera statistic indicates that the residuals are normally distributed, signalling the reliability of the results.

4.4 Test of Hypotheses

Hypothesis 1

H_0: State of Origin Certificate Issuance Fees has no significant positive impact on the development of Kabba/Bunu Local Government Area.

H_1: State of Origin Certificate Issuance Fees has a significant positive impact on the development of Kabba/Bunu Local Government Area.

From the result of the analysis, State of Origin Certificate Issuance Fees has a negative and not significant impact on Kabba/Bunu Local Government Development. Therefore, the null hypothesis, which states that State of Origin Certificate Issuance Fees has no significant positive impact on the development of Kabba/Bunu Local Government Area, is accepted, while the alternative hypothesis is rejected.

Hypothesis 2

H_0: There is no significant positive impact of Market Fees on the development of Kabba/Bunu Local Government Area.

H_1: There is a significant positive impact of Market Fees on the development of Kabba/Bunu Local Government Area.

The result of the GMM regression analysis indicated that Market Fees has a negative but not significant impact on Kabba/Bunu Local Government Area development. Thus, the null hypothesis, which states that there is no significant positive impact of Market Fees on the development of Kabba/Bunu Local Government Area, is accepted, whereas the alternative hypothesis is rejected.

Hypothesis 3

H_0: Marriage Registration Fees does not have a significant positive impact on the development of Kabba/Bunu Local Government Area.

H_0: Marriage Registration Fees has a significant positive impact on the development of Kabba/Bunu Local Government Area.

The result of the regression analysis showed that Marriage Registration Fees has a positive but not significant impact on Kabba/Bunu Local Government Area development. As such, the null hypothesis, which states that Marriage Registration Fee does not have a significant positive impact on the development of Kabba/Bunu Local Government Area, is accepted, but the alternative hypothesis is rejected.

Hypothesis 4

H_0: Burial Fees has no significant positive impact on the development of Kabba/Bunu Local Government Area.

H_0: Burial Fees has no significant positive impact on the development of Kabba/Bunu Local Government Area.

From the result of the analysis, Burial Fees has a significant positive impact on Kabba/Bunu Local Government Development. Hence, the null hypothesis is rejected, whereas the alternative hypothesis, which states that Burial Fees has no significant positive impact on the development of Kabba/Bunu Local Government Area is accepted.

4.5 Discussion of Findings

The findings of the study have shown that State of Origin Certificate Issuance Fees as an internally generated revenue source has a negative but not significant impact on the development of Kabba/Bunu Local Government Area. This could be as a result of mismanagement of the revenue by either the collectors or administrators. Thus, the fund collected from such a source does not reflect in the development of the area. However,

Similarly, the study has shown that Market Fees has a negative but not significant impact on the development of Kabba/Bunu Local Government Area. This could be due to the fact that those commissioned to collect the revenue were not remitting as appropriate, thus causing that revenue source not to impact the development of the area positively. However, Okon and Uwah (2023) found a positive relationship between internally generated revenue and infrastructural development in Akwa Ibom State. Similarly, Ojedokun (2023) found a significant impact of internally generated revenue on service delivery at the grassrot level in Oyo State.

From the result of the study, Marriage Registration Fees has a positive but not significant impact on Kabba/Bunu Local Government Development. The reason for the non-significance of the result could be mismanagement of the funds, implying that not all the revenue collected were utilized for the development of the area. On the contrary, Joseph and Adie (2024) reported a negative and significant effect of licenses the growth of the economy of Cross River State. Mbah and Onuora (2018) found a significant relationship between internally generated revenue and the cost of infrastructure in the South East States.

Finally, the findings of the study showed that Burial Fees, as one of the internally generated revenues for the local government, have a positive and significant impact on the development of Kabb/Bunu Local Government Area. These results agree with the study of Okon and Uwah (2023), who found that internally generated revenue has a positive relationship with infrastructural development in Akwa Ibom State, Nigeria. Also, Ojodokun (2023) found that internally generated revenue has a significant impact on service delivery at the grassroots in Ibadan North-East and Ibarapa East Local Government Areas of Oyo State, Nigeria. Similarly, Simon and Gbegi (2021) found that internally generated revenue has a significant effect on the economic growth of Plateau State.

5. Summary of Findings, Conclusion and Recommendations

5.1 Summary of Findings

The findings of the study are as follows:

1. State of Origin Certificate Issuance Fees have a negative but not significant impact on Kabba/Bunu Local Government development.
2. Also, Market Fees have a negative but not significant impact on Kabba/Bunu Local Government development.
3. However, Marriage Registration Fees impacts the development of Kabba/Bunu Local Government Area positively but not significantly.
4. Finally, Burial Fees have a significant positive impact on Kabba/Bunu Local Government development.

5.2 Conclusion

The components of internally generated revenue have differing impacts on the development of Kabba/Bunu Local Government Area. State of Origin Certificate Issuance Fees and Market Fees have negative impacts on development, whereas Marriage Registration Fees and Burial Fees have positive impacts on development. These mixed results underscore the financial administration of the local government regarding internally generated revenue. For IGR to take centre stage in the development of the area, there must be trans This implies that IGR is the foundation of economic and infrastructural development as well as social services provision in the local government area.

5.3 Recommendation

1. Revenue from State of Origin Certificate Issuance fees should be remitted accordingly to the appropriate account and used sincerely for the development of the local government area.
2. There should be adequate orientation of the people on the importance of paying market fees to support the development of the local government area. Also, there should be accountability for the fees collected.
3. The staff in charge of collecting Marriage Registration fees should be accountable and ensure full remittance of the proceeds to the appropriate government account to trigger positive developments.
4. Transparency and proper accountability of the revenue realised from burial fees are necessary for further development of the local government area.

5.4 Contribution to Knowledge

i. This study contributed to knowledge by using Market Fees, State of Origin Certificate Issuance Fees, Marriage Registration Fees and Burial Fees as these variables were not used in previous research regarding the impact of internally generated revenue on development.

ii. This study employed Generalised Method of Moments (GMM) in analysing the data collected. This analytical technique has not been used in the empirical studies reviewed. As such, it contributed to knowledge in that regard.

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