

**AN ASSESSMENT OF THE EFFECTS OF OUTRIGHT EMBEZZLEMENT ON PERFORMANCE OF LOCAL GOVERNMENT SERVICE DELIVERY**

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**Abstract**

*This paper will assess the effects of outright embezzlement on performance of local governments on service delivery in local government areas of Yobe State, Nigeria. Local Government Administration has been an integral part of administration machinery particularly, in the contemporary modern world. Thus the responsibilities of the central, regional or state governments have become so enormous, and complex that could not be possibly shouldered so effectively the local needs. In most third world countries, Nigeria in particular, modern local government administration emerged for the purpose of democratizing the local governments, so as to bring them closer to the people at the grassroots in order to meet their socio-economic needs. Yet, the local government performance since the return of Nigeria to a 'democratic type of government' has remained underdeveloped in terms of financial resources, transparency, accountability, financial waste, corruption, joint account, and politicization of service delivery. , this paper will focused on assessing on the effects of outright embezzlement on the provision of service deliver*

**INTRODUCTION**

Local governments by their location were close to the people at the grassroots level which has the bulk of population in any nation. The ability of effectively providing services to these people at the grassroots requires enormous resources at the disposal of the local government. This brought about the issue of financial viability or otherwise providing services to the people to meet up to the expectation of the people at the grassroots level.

Local Government Administration has been an integral part of administration machinery particularly, in the contemporary modern world. Thus the responsibilities of the central, regional or state governments have become so enormous, and complex that could not be possibly shouldered so effectively the local needs. In most third world countries, Nigeria in particular, modern local government administrations emerged for the purpose of democratizing the local governments, so as to bring them closer to the people at the grassroots in order to meet their socio-economic needs.

Local governments are also created to effectively transform the local populace. Indeed, the 1976 Local Government Reform and the subsequent reforms that followed were geared towards making the local government administrations more effective and efficient in satisfying the demands of the local community. The 1976 Local Government Reform specifically had made the local governments in Nigeria to be the third tier of government (Sahili, 2001). And their constitutional functions have been provided under the fourth schedule, section 7 of the 1999 Constitution of the Federal Republic of Nigeria as amended. Furthermore, it is because of its importance, the local government administration in the overall national development that both the state and Federal governments have been allocating huge amount of capitals from the state and the federation accounts as statutory allocation to the local governments, apart from the funds generated internally for the purpose of rapid and sustainable development at the local areas.

Since the re-launch of Nigeria into yet another civil rule in 1999, for example, the federal allocation accrued to the local governments in Nigeria has tremendously increased to about 400% monthly from 1999-2001, as has been observed by the former Nigerian President Chief Olusegun Obasanjo during the launching

of global campaign on good governance (Odoh, 2004). In spite of this increase in revenue accruing to the local governments in Nigeria from the year 1999-2001, their performance has little impact on the local people. This is however, due to several reasons which have affected the local governments to be financially buoyant enough to meet up to the expectations of these people.

These among other ones include the impact of state/local joint account, the dwindling nature of the revenue sources, use of un-budgetary expenditures at the local government level, outright embezzlement of the local government funds, and lack of qualified and trained personnel to handle the local governments funds among other ones. Similarly, in Yobe state as in other states of the federation, the performance of Local Governments is far from being accomplished as major developmental projects, for example, health facilities, schools, housing, electricity and potable drinking water are virtually below expectation. Therefore this paper will assess the effect of the effects of outright embezzlement on the provision of service delivery.

### **Service Delivery**

Kayode (2013) posits that Service Delivery implies tangible and intangible goods and services provided by the government in order to improve the wellbeing of the citizenry, While Carlson (2005) also conceptualized service delivery as the relationship between policy makers, service providers and poor people. According to them, it encompasses services and their supporting systems that are typically regarded as a state responsibility. These include social services (primary education and basic health services) and infrastructure (water, sanitation, roads and bridges). Agba (2013), agree with this understanding of service delivery when he noted that local service delivery is the provision of services intended to alleviate human suffering and by extension, enhances the quality of life of the citizens.

According to Zakari (2010) as quoted by Agba (2013), the founding fathers of Nigerian Local Governments system had good intentions. Their major aim was for this third tier of government to positively affect the lives of the people at the grassroots. But the system, unfortunately, has been “hijacked” by politicians and senior bureaucrats for personal enrichment. The inadequacies of strategic vision and the absence of clear rules, codes of ethics and poor working conditions characterized by few incentives or rewards for effective and efficient performance in public enterprises. For efficient and effective service delivery, then accessibility of the services must be guaranteed.

Thus, service delivery that is not available, affordable or both is afflicted by corruption. When services become inaccessible, the quantities decline and revenue is lost leading to poor service delivery (Shlerter and Vishiny, 1993; Bearse, 2000). Thus, Local Governments in Nigeria can be sarcastically described as a place where the chairmen and other key officials meet to share money monthly.

Reasoning along this descriptions, Agba (2006) opined that, the provision of basic social services such as education, health, maintenance of roads, and other public utilities within the jurisdiction of most Local Governments in the country is both a myth and mirage; as the tenure of Local Government chairmen are primitively conceived as a period of wealth accumulation and not about service delivery to the people. This is in spite of the fact that 70% of Nigeria population are found in the rural areas as Effiom (2001) quoted in Agba (2013) acknowledged that, average residents at the grassroots level are still suffering from lack of potable water, inadequate health facilities, poor hygiene condition and unemployment.

El-Rufai (2013) lamenting on poor service delivery stated that; the primary responsibility of Local Governments as enshrined in the constitutions is rural, urban and community development. However, in rather than working to reduce poverty by providing these services to their people, they end up just paying salaries of primary school teachers, and not much more. While our local government areas contribute a negligible per cent of our GDP and employ less than 2 per cent of the employed population.

### **Local Government Service Delivery**

The existence and functioning of a nation and its government, is predicated on the need for orderly human interaction, and the provision of a systematic mode of delivery for a wide array of services, ranging from purely governance services to the provision of a variety of social services. Laws, regulations and practices evolved to provide definite guides for human and governmental conduct. The state provides a social

framework that aims at satisfying the social wants, claim, demands and expectations involved in the existence of a civilized society, by giving effect to, as much as possible with the least sacrifice, a generally acceptable and ordering of human conduct.

Democratic societies create a number of rights for citizens, and in return, certain basic duties and responsibilities are expected from the citizen to the state. A symbiotic relationship is thus created where there are legitimate expectations, and citizens expect their government to deliver a minimum basket of goods and services effectively and efficiently. In such societies, government is mainly funded by citizens' taxes, and in return, they demand accountability and a transparent administration of state resources. This, therefore, provides the rationale of high quality service expectation by the citizens, and the rendering of same, and continuous attempts to improve service delivery on the part of government, (Victor, 2013).

There are certain services for which the Local Government is the most efficient provider. Bello-Imam (1996) argued that Local Government's role as an efficient provider of certain kinds of services is gradually emerging as the most important justification for its present day existence. According to him, there are services which Local Governments are far better suited to provide than other levels of government.

The case for the service-providing purpose of Local Government rests mainly on the following arguments that, there is the need to have small units which will stimulate the provision of services nearer to the point of delivery in the various communities, the need for Local Governments to act as promoters of area-based consumer services, help to redress the inevitable imbalance between consumer and producer groups nationally and the need to demonstrate that Local Governments have clear advantages over public corporations or ad-hoc agencies in terms of public accountability and coordination as they are better equipped than centralized agencies to respond to the common trend in the growth of personal health, welfare, education, water supply.

Service-delivery by local governments help to improve the quality of lives of people living within the community, and this helps to integrate as well as upgrade community life generally. Some of these basic services like basic education, health, housing to mention a few are regarded as central to the overall development of a country as against the measurement of rapid increases in the Gross Domestic Product (Olayiwola, 2013).

### **Effects of Outright Embezzlement on Service Delivery**

If any officer, agents, or employee of State, or other person having or holding in trust for the same any bonds issued by the State, or any security or other property and effects of the same, shall embezzle or knowingly and wilfully misapply or convert. The same to his own use, or otherwise wilfully or corruptly abuse such trust; such offender and all persons knowingly and wilfully aiding and abetting or otherwise assisting therein shall be guilty of a felony. If the value of the property is one hundred thousand dollars or more, a violation of this section is a class C felony (Constitution, 1999).

It is difficult to acknowledge that theft, fraud, and embezzlement are pervasive in today's society. In many cases, the person who commits these acts is someone you know, like, and trust. Convincing a non-profit organization to prosecute is often difficult. A non-profit duty to its members the community and its donors are significant and this should have strong consideration when determining whether to prosecute or not. Officers and chairpersons must constantly be on the lookout for fraud, theft and embezzlement.

### **The Problem of Fraud, Theft and Embezzlement in PTAS across the Country**

Fraud costs U.S organizations over \$400 billion annually .The average organization losses approximately 6% of its total annual revenue to these abuses and these abuses are perpetrated at all levels of organization.

- i. Every organization should have a strong system of internal controls without good internal controls it could take months to become aware of a problem.
- ii. Internal controls are process designed to provide reasonable assurance regarding: reliability of financial reporting, effectiveness and efficiency of operations compliance with applicable laws and regulations.

- iii. Provide assurance that fraud will be discovered on a timely basis, perpetrators will be identified, Act as a strong deterrent to improper activities that loss will be. Good internal controls will create an opportunity needed by desperate people to commit a crime. What will cause a normally good person to reach this point? Debts, divorce, illness, drug problems, peer pressure, and work lay-offs are some of the reason that is given when people are questioned about these abuses

Open and review bank statements-someone independent of the check processing should receive the unopened bank statement and review the activity before passing it on the treasure for reconciliation. The person initially checking bank statement should be identified (by positioned) in the money management policy. This individual should sign the bank statement or make notations (as appropriate) before turning over the treasurer. If regularities are noted, report immediately to the PTA president. A report should also be made to the board to reconcile bank accounts monthly.

The importance of bank reconciliations should not be overlooked. They should be completed monthly and presented to the executive committee. It is the responsibility of members to question and explain reconciling item. Verify wire transferred-work with the bank to set up a system of verification of wire transfers. Avoid wire transfer transactions are at all possible

### **Theoretical Framework**

Several theories have been propounded or used in explaining the performance of Local Government in terms of development. Some of these theories are: The efficiency theory, social contract theory and institutional change and structural transformation theory.

Institutional Change and Structural Transformation Theory is deduced within the experts' understanding of development particularly Mabogunje (1995), who perceived development in two ways. First is about wealth creation. Secondly, the success of any society depends on its ability to adopt and transform its institutions and general attitude of its people towards achieving development goals (Shehu 2004). Thus, viewing development exclusively within the Mabogunje's (1995) first perception of development, Shehu (2004) contended that the two competing ideologies – capitalist and socialist ideologies, have been the basis for determining the strategy (ies), impact creation and goals achievement. Looking at development within the second conception in the fast globalizing world, development has less to do with ideologies but strategies, re-orientation and re-structuring government institutions in line with participatory approach.

However, in less developed societies, the emergence of effective development strategy/strategies lies to the extent at which the political leadership are willing and committed towards development, and the emergence of political authority within the context of rule of law, guided by the principles of transparency and accountability. Therefore lack of development in less developed societies has been associated, by this theory due to the absence of true democratic and committed political leaders that would work within the provisions of the law and guidance by the principles of transparency and accountability towards achieving development goals. Historical account has shown that, despite the efforts made in reforming the Local Governments in Nigeria in line with the participatory democracy and made close to the grassroots rural people.

The impact of their existence on the living conditions of the grassroots people has remained a matter of concern. Lack of accountability and transparency in administering the Local Governments in Nigeria had generated a lot of conflicts in the performance of the Local Government administrations. The leadership that supposed to serve the interests and aspirations of the local people has turned to be corrupt, ineffective, inefficient and inept in discharging their constitutional responsibilities. Local resources have constantly been embezzled, mismanaged, misdirected and misappropriated with much devastating consequences on the general development of the local people (James, 2005 & Gbetwi, 2005). For this study, institutional change theory is thus adopted. The selection of institutional change theory deduced within Mabogunje's second conception of development is largely due to the fact that different development parameters that have been imported and tried in ameliorating the problems of underdevelopment in Africa have little or no impact on

society (Shehu 2001). This plus the impact of globalization that has remained unabated at the levels of governments in the less developed societies have made it necessary for the restructuring and reforming the political, social and economic institutions to respond appropriately to the emerging development problems. The restructuring must emphasize on the participatory approach.

## **METHODOLOGY**

Research methodology is a clear rules and procedures based on which research is been claims for knowledge that are evaluated. It also discussed the strategies neighboring the use of multiple methods of data collection as required by different types of attempts to achieve higher degrees of reliability and validity as suggested by (Leedy, 1997). To determine this research quantitative research method is adopted to increase the depth and quality of the results. The target population of the study are the local government workers and community leaders of the selected Local Government Areas of the State such as; Damaturu, Gujba, Potiskum, Geidam, Gulani, Fune, Nguru, Bade and Fika,. The target population also consists of traditional title holders in the selected Local Government areas in the state such as; District heads, Village Heads, ward heads, chairmen and secretaries of clubs and associations, women wing, youth wing, hunters, and vigilante groups. Ministry for local government affairs in Yobe state as confirmed from the respective Local Governments in (2017) has put the total number of workers in the selected Local Governments.

The sample size for this study is 800 respondents (both Local Government workers and community leaders) obtained from Yamane (1969) proportionate sampling formula as presented below. While the method of sampling that is applied in this is cluster sampling technique involving the use of Stratified Sampling Technique? This means that, the selected Local Governments were clustered according to their senatorial zones and stratified sampling technique is thus used to stratify the local government workers and the community leaders according to their departments in their respective Local Governments

To determine the sample size, Yamane (1969) proportionate sampling formula was used. Thus:  
$$n = \frac{N}{1 + N(e)^2}$$

Where

n= sample size

N= population

e= Level of significance (5%)

$(e)^2 = (0.05)^2$

Therefore,  $n = \frac{9270}{1 + (0.005)^2}$

$n = \frac{9270}{1 + 0.0025}$

$n = \frac{9270}{23.1775}$

$n = 399.95$

$n = 344$  Approximately. (This is Local Government workers).

The 400 respondents Sampled were drawn from the Local Government workers in the selected Local Governments as presented in the sampling frame zone by zone.

Similarly, in order to determine the sample size of the community leaders the same Yamane (1969) proportionate sampling formula was used. The data obtained from the respondents were organized, analysed and presented using frequency distribution table while the hypotheses were tested using CHI SQUARE and ANOVA. In order to assess the effect of the financial performance of local governments on service delivery in Yobe state, Nigeria, a total of 344 structured questionnaires were designed and distributed to local government workers across the selected local government areas in Yobe State.

## **Effects of Outright Embezzlement on the Provision of Service Delivery.**

This research sought to know the effect of outright embezzlement on the provision of service delivery in local government areas of Yobe state, Nigeria. This is to determine whether the monies meant for the provision of service delivery by the local government were out rightly embezzled by the local government officials or not in local government areas of Yobe state Nigeria.

tate where only 344 questionnaires were properly filled and returned valid. Similarly interviews were also conducted to the District heads, Village heads; ward heads, youth wings, women wings, hunters and vigilantes, and clubs and associations.

**Effect of outright embezzlement on the provision of service delivery in Yobe state Nigeria**

S/NO	Research questions	Strongly agreed	Agreed	Undecided	Disagreed	Strongly disagreed
1	Embezzlement by local government officials affects service delivery.	122(35.5%)	104(30.2%)	38(11.0%)	44(12.8%)	36(10.5%)
2	The level of embezzlement is high in the local government.	94(27.3%)	95(27.6%)	42(12.2%)	67(19.5%)	46(13.4%)
3	Budgetary allocations for services delivery are embezzled by local government officials	85(24.7%)	86(25.0%)	47(13.7%)	78(22.7%)	48(14.0%)

This shows effect of outright embezzlement on the provision of service delivery in Yobe state Nigeria shows that 122(35.5%) of the respondent strongly agreed that Embezzlement by local government officials affects service delivery, 104(30.2%) agreed, 38(11.0%) undecided, 44(12.8%) disagreed and 36(10.5%) strongly disagreed. These shows that majority of the respondent strongly agreed that Embezzlement by local government officials affects service delivery. 94(27.3%) of the respondent strongly agreed that the level of embezzlement is high in the local government, 95(27.6%) agreed, 42(12.2%) undecided, 67(19.5%) disagreed and 46(13.4%) strongly disagreed. This shows that majority of the respondent agreed that the level of embezzlement is high in the local government. 85(24.7%) of the respondent strongly agreed that Budgetary allocations for services delivery are embezzled by local government officials, 86(25.0%) agreed, 47(13.7%) undecided, 78(22.7%) disagreed and 48(14.0%) strongly disagreed. These shows that majority of the respondent agreed that budgetary allocations for services delivery are embezzled by local government officials. Therefore from the view point of the respondents it can be said that outright embezzlement has significant effect on the provision of service delivery in local government areas of Yobe state.

This view is in line with the provisions of the local government financial memoranda and the constitution of the federal republic of Nigeria (1999) where it clearly points out that any officer, agents or employee of a state who knowingly or wilfully shall embezzle or convert and misapply public trust issued by the state or corruptly abuse such trusts shall be guilty of a felony.

However in a related interview with the community leaders one of the youths emphasized that one major area that is affecting service delivery in local government areas in Yobe state is hinged on the problem of outright embezzlement where monies were embezzled on political reasons without channelling it to effective service delivery that will impact on the lives of the people. By implication therefore, taking necessary measures that will reduce outright embezzlement at the local government areas of Yobe state will go a long way in ensuring effective service delivery at the local government areas of Yobe state

The findings revealed that outright embezzlement has significant effect on the provision of service delivery in local government areas of Yobe state. This can also be seen from table 5.7 where 224 (65.28%) of the respondents agreed that outright embezzlement has significant effect on the provisions of service delivery in local government areas of Yobe state. however, the results obtained from the test of hypothesis indicates that F calculated (0.000293) is less than F critical (3.885294). Meaning; outright embezzlement has no significant effect on the provision of service delivery in Yobe state. while corroborating a relevant

document the provisions of the local government financial memoranda and the constitution of the federal republic of Nigeria (1999) clearly points out that any officer, agents or employee of a state who knowingly or wilfully shall embezzle or convert and misapply public trust issued by the state or corruptly abuse such trusts shall be guilty of a felony. However in a related interview with the community leaders one of the youths emphasized that one major area that is affecting service delivery in local government areas in Yobe state is hinged on the problem of outright embezzlement where monies were embezzled on political reasons without channelling it to effective service delivery that will impact on the lives of the people.

### **RECOMMENDATION**

- 1 Punitive and strictly control measures have to be taken and strengthened by te state and federal governments as well as anti-corruption agencies such as EFCC, ICPC to check financial excesses and outright embezzlement of the local government funds by the local government officials in Yobe state.
- 2 Monitoring and closely supervising the inflows and outflows of expenditures at the local government level and sensitizing the local government workers on the dangers that outright embezzlement.
- 3 There has to be constant and periodic series of training and re training for the local government workers as well as the political office holders at the local government areas of Yobe state
- .4 Serious measures has to be taken by all concern authorities such as state governments, federal governments, and the anti-corruption agencies to ensure the proper design of the local government budgets and ensure strict compliance with the budgetary provisions

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