

# Rivers State Local Government Laws and Financial Administration in Local Government Councils: Evidence from Emohua Local Government Area (2015–2019)

JIM ASONNAM (PH.D)

*Department of Political Sciences, Faculty of Social Sciences, Ignatius Ajuru University of Education, Port Harcourt-Nigeria*

*Abstract- Financial administration is a critical component of public sector governance, particularly at the local government level where service delivery directly affects grassroots development. This study examines the relationship between Rivers State Local Government Laws and financial administration in Emohua Local Government Council between 2015 and 2019. Specifically, the research investigates how the provisions of the Rivers State Local Government Law No. 5 of 2018 influence financial management, service delivery, and the effective utilization of public funds within the council. The study adopts the efficiency theory as its analytical framework. A descriptive survey design was employed, with a population of 921 employees of Emohua Local Government Council. Using simple random sampling, a sample of 52 respondents was selected. Data were collected through structured questionnaires and analyzed using frequency tables, percentages, and chi-square statistical tests. The findings indicate that the Rivers State Local Government Law significantly influences financial administration in Emohua Local Government Council by promoting financial accountability, transparency, and improved management of public funds. However, challenges such as political interference, weak institutional autonomy, and limited professional capacity among financial personnel were identified as obstacles to efficient financial administration. The study concludes that effective adherence to financial regulations enhances service delivery and accountability in local government administration. It recommends stricter enforcement of financial laws, improved training for local government personnel, and greater institutional autonomy to strengthen financial governance at the grassroots level.*

**Keywords:** *Local Government Administration, Financial Management, Public Finance, Service Delivery, Rivers State, Nigeria*

## I. INTRODUCTION

Local government institutions play a vital role in promoting grassroots development and delivering essential public services. In Nigeria, the local government system represents the third tier of government and serves as a critical link between the state and citizens at the grassroots level. The effectiveness of local government administration largely depends on how efficiently financial resources are generated, managed, and utilized.

Finance remains the backbone of public administration because it provides the resources required for implementing policies, delivering services, and maintaining government institutions. According to Popple (2022), finance represents the funds used by government institutions to provide essential public goods such as education, healthcare, infrastructure, and social services. Without effective financial administration, government institutions cannot achieve their developmental objectives.

Public finance is concerned with how governments generate revenue and allocate expenditures in order to promote economic development and social welfare. It performs three major functions: allocation of resources, stabilization of the economy, and equitable distribution of wealth (Hassan, 2011). At the local government level, public finance plays a particularly important role because local governments are responsible for providing services that directly affect the daily lives of citizens.

In Nigeria, local government councils derive their authority from the 1999 Constitution, which recognizes them as the third tier of government. However, despite their constitutional status, local governments often face challenges related to financial

management, administrative inefficiency, and political interference.

The financial administration of local government councils is guided by various laws and regulations designed to ensure transparency, accountability, and proper management of public funds. In Rivers State, the financial administration of local government councils is governed by the Rivers State Local Government Law No. 5 of 2018.

The law provides guidelines for revenue generation, financial accountability, budgeting, borrowing, expenditure control, and auditing processes within local government councils. These provisions are intended to promote financial discipline and ensure that public funds are used for the benefit of local communities.

However, despite these legal frameworks, many local government councils in Nigeria continue to face challenges related to financial mismanagement, corruption, and political interference.

This study therefore examines the relationship between Rivers State Local Government Laws and financial administration in Emohua Local Government Council between 2015 and 2019.

## II. LITERATURE REVIEW

### Concept of Local Government

Local government refers to a political and administrative unit established by law to manage local affairs within a defined geographical area. According to the United Nations Office for Public Administration, local government is a political subdivision of a nation or state constituted by law and entrusted with substantial control over local affairs (Agwor, 2017).

The Nigerian Local Government Reform of 1976 defined local government as government at the grassroots level established by law to perform specific functions within defined areas.

Local governments are expected to provide basic services such as road construction, waste management, public health services, market regulation, and rural development.

According to Briggs, Wege, and Nkanbia-Davies (2020), local governments are essential for the decentralization of power and the promotion of participatory democracy. However, scholars have argued that local governments in Nigeria often operate more as extensions of state governments rather than autonomous institutions (Ahmad, 2013).

### Financial Administration in Local Government

Financial administration refers to the process of planning, organizing, directing, and controlling financial resources in order to achieve organizational objectives.

Olowe (2011) defines financial management as the management of funds and financial activities in order to achieve organizational goals.

In local government administration, financial management involves revenue generation, budgeting, expenditure control, accounting, auditing, and financial reporting.

Local governments generate revenue through various sources including:

1. Statutory allocations from the federal government
2. State government grants
3. Local taxes and levies
4. Fees and licenses
5. Commercial activities

However, studies have shown that many local governments face challenges in revenue generation and financial management.

For instance, Izueke, Anyadike, and Nzekwe (2013) identified corruption, poor planning, and administrative inefficiency as major challenges affecting financial management in Nigerian local governments.

## III. THEORETICAL FRAMEWORK

This study adopts Efficiency Theory as its analytical framework. Efficiency theory emphasizes the optimal use of resources to achieve organizational objectives.

The theory assumes that effective financial management enhances productivity, accountability, and service delivery.

According to Sharpe (1960), efficiency in financial administration involves maximizing output with minimal resource utilization. The relevance of efficiency theory to this study lies in its emphasis on prudent financial management as a prerequisite for effective service delivery. Local governments are strategically positioned to deliver services efficiently because they are closer to the people.

However, efficient service delivery can only be achieved when financial resources are properly managed and utilized.

#### IV. METHODOLOGY

This study adopts a descriptive survey research design. The population of the study consists of 921 employees of Emohua Local Government Council. A sample of 52 respondents was selected using simple random sampling techniques. Data were collected using structured questionnaires and secondary sources such as textbooks, government documents, and journal articles. The collected data were analyzed using frequency distribution tables, percentages, and chi-square statistical tests.

#### V. FINDINGS AND DISCUSSION

The study revealed several important findings regarding financial administration in Emohua Local Government Council. Influence of Local Government Laws on Financial Administration

The results indicate that the Rivers State Local Government Law significantly influences financial administration within the council. The law introduces financial controls that regulate revenue generation, expenditure, and financial reporting. These controls enhance financial accountability and reduce the risk of financial mismanagement.

##### Impact on Service Delivery

The findings show that the financial regulations established by the law influence service delivery in local government councils. By ensuring that public funds are properly managed, the law contributes to

improved delivery of public services such as infrastructure development and community welfare programmes.

##### Restrictions on Financial Operations

The law also imposes restrictions on borrowing and expenditure by local government councils.

While these restrictions promote financial discipline, they may sometimes limit the financial flexibility of local governments.

##### Institutional Challenges

Despite the positive impact of financial regulations, the study identified several challenges affecting financial administration. These include: Political interference from state government agencies, weak institutional autonomy, limited professional capacity among financial personnel, diversion of internally generated revenue and these challenges undermine the effectiveness of financial administration in local government councils.

#### VI. CONCLUSION

The study examined the relationship between Rivers State Local Government Laws and financial administration in Emohua Local Government Council. The findings demonstrate that the Rivers State Local Government Law plays a significant role in regulating financial administration and promoting accountability in local government councils.

However, the effectiveness of these laws is often constrained by institutional weaknesses, political interference, and limited professional capacity among financial personnel. Strengthening institutional autonomy and improving financial management capacity are therefore essential for enhancing the effectiveness of local government administration in Nigeria.

#### VII. RECOMMENDATIONS

Based on the findings of the study, the following recommendations are made:

1. Strict enforcement of financial regulations within local government councils.

2. Capacity building programmes for financial personnel to improve professional competence.
3. Greater institutional autonomy for local governments to reduce political interference.
4. Improved transparency and accountability mechanisms in financial administration.
5. Enhanced public participation and oversight in local government financial management.

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