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Internally Generated Revenue and Healthcare Delivery in Damaturu Local Government Area, Yobe State, Nigeria (2019–2023)

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ABSTRACT

This study examined the relationship between internally generated revenue (IGR) prudency and healthcare delivery in Damaturu Local Government Area, Yobe State, Nigeria, over the period 2019–2023. Grounded in the Efficient-Service School of Local Government theory, the study specifically assessed the effects of revenue monitoring, accountability among revenue officers, and budget discipline among local government administrators on primary healthcare delivery. A convergence mixed-methods design was adopted, combining quantitative (questionnaire) and qualitative (interview) data from a sample of 175 respondents drawn from a population of 320 using the Krejcie and Morgan (1970) table, alongside 23 key informant interviewees selected purposively. Data were analysed using descriptive statistics and multiple regression analysis (via SPSS version 25), while interview data were subjected to thematic analysis. Findings revealed that revenue monitoring ($\beta = 0.606$; $t = 27.385$; $p < 0.05$), accountability ($\beta = 0.149$; $t = 8.248$; $p < 0.05$), and budget discipline ($\beta = 0.135$; $t = 5.642$; $p < 0.05$) all positively and significantly affect healthcare delivery. The model explained 96.4% of the variance in healthcare delivery ($R^2 = 0.964$; $F = 3476.407$; $p < 0.001$). The study concludes that prudent management of internally generated revenue is critical to effective primary healthcare delivery at the local government level, and recommends strengthening monitoring mechanisms, incentivising accountability, and enforcing budget discipline among administrators.

Keywords: Internally Generated Revenue, Healthcare Delivery, Revenue Monitoring, Accountability, Budget Discipline, Damaturu Local Government, Nigeria

INTRODUCTION

Local governments in Nigeria occupy a constitutionally recognised position as the third tier of government and are expected to deliver basic social services directly to the grassroots. Among such services, primary healthcare delivery remains a central mandate. The capacity of local governments to fulfil this obligation depends substantially on their financial resources both externally allocated and internally generated. Internally Generated Revenue (IGR) refers to revenue sources within a local government's direct control, encompassing taxes, rates, fees, licences, and earnings from public enterprises.

Revenue generation is a critical issue for local government councils because the quantity and quality of services provided to citizens are largely determined by how effectively and prudently councils manage their finances. Hirsch (2021) observed that inadequate finance has historically been one of the most significant impediments to local government service delivery in sub-Saharan Africa. Fosu (2012) similarly argued that local revenue financing not only covers administrative costs but guarantees sustainability of service delivery and local government autonomy.

The prudent management of IGR encompasses three key dimensions: revenue monitoring, accountability among revenue officers, and budget discipline among administrators. Non-prudency in these areas manifesting as embezzlement, poor accountability, and fiscal indiscipline leads to revenue inadequacy and, ultimately, poor service delivery (Uhunmwuangho & Epelle, 2008; Local Governments Internal Auditor's Report, 2018).

In Damaturu Local Government Area (LGA), Yobe State, these challenges are particularly pronounced. Embezzlement by revenue collectors, widespread tax evasion, and lack of budget discipline have severely constrained the council's capacity to deliver healthcare services. Despite the strategic importance of this issue, empirical evidence linking IGR prudency specifically to healthcare delivery in this context remains scarce. This study addresses that gap by examining the effects of revenue monitoring, accountability, and budget discipline on primary healthcare delivery in Damaturu LGA between 2019 and 2023.

Research Objectives

The main objective of this study is to assess internally generated revenue prudency and its effect on healthcare delivery in Damaturu Local Government Area, Yobe State (2019–2023). Specifically, the study seeks to:

i. Identify factors that enhance revenue generation in Damaturu LGA;
ii. Assess the extent to which revenue monitoring affects healthcare delivery;
iii. Evaluate the effect of accountability among revenue officers on healthcare delivery; and
iv. Examine the effect of budget discipline among administrators on healthcare delivery.

Research Hypotheses

Ho_1: Revenue monitoring on revenue officers has not significantly affected healthcare delivery in Damaturu LGA, Yobe State.

Ho_2: Accountability among revenue officers has not significantly affected healthcare delivery in Damaturu LGA, Yobe State.

Ho_3: Budget discipline among Local Government administrators has not significantly affected healthcare delivery in Damaturu LGA, Yobe State.

LITERATURE REVIEW

Revenue Generation in Nigerian Local Governments

Revenue generation in Nigerian local governments derives primarily from two streams: statutory allocations from the Federation Account (comprising 20% of the Federation Account and 10% of each State's internally generated revenue) and locally generated revenues such as taxes, rates, fees, and licences (Section 162, 1999 Constitution of Nigeria). In many rural local governments, federal transfers constitute as much as 80% of total revenue, underscoring

the fiscal dependency of local councils on higher tiers of government (Obi, 2011).

Challenges to local revenue generation include weak financial management systems, inadequate budgeting processes, low-quality personnel, improper accounting systems, and the casual attitude of revenue collectors (Alu, 2006). Embezzlement of collected revenue and tax evasion further compound these challenges, resulting in a dwindling IGR base in some councils falling to 5% or less of total revenue in recent years (NULGE, Yobe Branch, 2016).

Revenue Monitoring, Accountability, and Budget Discipline

Revenue monitoring is the systematic and continuous process of tracking revenue receipts against budgeted expectations and prior-year actuals. It involves comparing monthly collections to detect inefficiencies and deter corrupt practices (Phil, 2016). Chambers (1994) defines monitoring broadly as establishing project progress and providing information for management decisions.

Accountability, in the public sector context, refers to the obligation of revenue officers and administrators to demonstrate that work has been conducted in accordance with agreed rules and standards, and to report accurately on performance (Adegite, 2010). Schedler (1999) characterises accountability as the obligation to inform and justify actions to principals, with consequences for misconduct. Koppell (2005) identifies five dimensions: transparency, liability, controllability, responsibility, and responsiveness all of which are essential for effective IGR management.

Budget discipline concerns adherence to approved spending limits, meticulous pre-expenditure scrutiny of the budget, and judicious resource deployment by administrators (Aruwa, 2004). Oshisami (1992) and Omolehinwa (2001) identify three principal areas of budget discipline: adherence to stated budgeting policies, adherence to the budget calendar, and adherence to approved estimates in the appropriation act. Weakness in any of these dimensions constitutes indiscipline and directly undermines service delivery capacity.

Primary Healthcare Delivery at the Local Government Level

Primary healthcare (PHC) constitutes the frontline of the health system, addressing the main health problems of communities through preventive, curative, and rehabilitative services (Gujarat, 2013). The four pillars of PHC community participation, appropriate technology, inter-sectoral coordination, and equitable distribution reflect the Alma Ata Declaration of 1978, which defines PHC as essential care that is universally accessible and affordable (WHO, 2012).

The World Bank (2004) conceptualises service delivery as a relationship of accountability between users, providers, and policymakers. Successful service delivery for citizens emerges from institutional relationships in which actors are accountable to one another. Local governments, by virtue of their proximity to communities, are ideally positioned to deliver PHC efficiently provided they have adequate and prudently managed financial resources.

Theoretical Framework

This study is anchored in the Efficient-Service School of Local Government theory, propounded by Langood (1953), Moulin (n.d.), and Sharpe (1970). The theory holds that the primary purpose of local government is the efficient provision of social services including primary healthcare, primary education, and

sanitation given its closeness to the people. The theory underscores that local governments are indispensable precisely because of their capacity to deliver such services more efficiently than higher tiers of government.

The study also employs the Theory of Change (Connell & Kubisch, 1998) as a related theoretical lens. The theory posits that change occurs through a logical chain of inputs, interventions, outputs, and outcomes. Applied to this study, prudent IGR management (through monitoring, accountability, and budget discipline) constitutes the intervention that leads to the desired outcome of improved primary healthcare delivery.

RESEARCH METHODOLOGY

Research Design

The study adopted a convergence mixed-methods research design, in which quantitative and qualitative data were collected simultaneously, analysed separately, and then compared to assess convergence or divergence of findings (Creswell, 2019). This approach provided a comprehensive analysis of the research problem, combining the measurability of quantitative instruments with the explanatory depth of qualitative inquiry.

Population and Sample

The study was conducted in Damaturu LGA, Yobe State. The target population comprised five clusters: Local Government Council political staff (n = 18), Budget and Statistics Unit staff (n = 30), Yobe Revenue Service staff (n = 32), Executives and members of Damaturu Youths Association (n = 130), and Opinion leaders and members of Damaturu Women Association (n = 110), yielding a total population of 320.

Using the Krejcie and Morgan (1970) sample size determination table, a sample size of 175 respondents was derived. Probability proportionate to size (PPS) sampling was used to distribute questionnaires across clusters. For qualitative data, 23 key informants were purposively and snowball-selected across the same clusters to achieve data saturation (Kumar, 2011).

Table 1: Population and Sample Distribution

S/N	Cluster	Population	Sample (Questionnaire)	Sample (Interview)
1	Local Government Council	18	10	2
2	Budget and Statistics Units	30	16	3
3	Yobe Revenue Service Staff	32	18	4
4	Damaturu Youths Association	130	71	8
5	Damaturu Women Association	110	60	6
	Total	320	175	23

Source: Researcher's Computation, 2025

Data Collection

Primary data were collected via structured Likert-scale questionnaires (5-point scale: strongly agree to strongly disagree) and face-to-face key informant interviews (KII) and focus group discussions (FGD). Secondary data were sourced from Damaturu LGA's Internal

Auditor's Report (2020), Local Government Gazette (2019), and Revenue Profile of the Local Government (2019–2023).

Data Analysis

Quantitative data were analysed using descriptive statistics (frequencies and percentages) and inferential statistics (multiple regression analysis) via SPSS version 25. Regression diagnostic tests including normality, homoscedasticity, linearity, and multicollinearity were conducted prior to hypothesis testing. Qualitative data from interviews and FGDs were subjected to thematic analysis, with themes directly linked to the study's research questions.

RESULTS AND DISCUSSION

Socio-Demographic Characteristics

Of the 175 questionnaires distributed, 170 (97.1%) were returned and valid for analysis. The majority of respondents were male (70.6%), aged 31–45 years (64.7%), and held post-secondary qualifications (64.7%). This demographic profile reflects a working-age, educationally attained respondent base, appropriate for a study of local government financial management and service delivery.

Descriptive Analysis

The descriptive results across all variable constructs indicated a consistent pattern: approximately 67–69% of respondents agreed or strongly agreed that effective revenue generation, information dissemination, free communication, participative decision-making, spending adherence, budget scrutiny, and healthcare service provision existed in Damaturu LGA. Approximately 20% disagreed or strongly disagreed, while 11–12% were undecided. These patterns suggest a broadly positive but not universal assessment of the local government's IGR prudency and healthcare delivery practices.

Regression Diagnostic Tests

Prior to hypothesis testing, regression assumptions were verified. The normality test (histogram and P-P plots) confirmed normally distributed residuals. The partial plots confirmed homoscedasticity, and scatter plots of residuals clustered around zero, affirming linearity. Variance Inflation Factors (VIF) and tolerance values confirmed the absence of multicollinearity among the independent variables.

Multiple Regression Results and Hypothesis Testing

Multiple regression analysis was employed to test the three hypotheses. The overall model was statistically significant ($F = 3476.407$; $p < 0.001$), with an R^2 of 0.964, indicating that revenue monitoring, accountability, and budget discipline collectively explain 96.4% of the variance in healthcare delivery. The Durbin-Watson statistic of 1.65 indicated positive serial correlation between the independent and dependent variables.

Table 2: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1802.639	3	600.880	3476.407	0.000
Residual	67.237	389	0.173		
Total	1869.876	392			

Dependent Variable: Healthcare Delivery; Predictors: Revenue Monitoring, Accountability, Budget Discipline

Table 3: Model Summary

R	R^2	Adjusted R^2	Std. Error of Estimate	Durbin-Watson
0.982	0.964	0.964	0.416	1.65

Table 4: Regression Coefficients

Predictor	B (Unstd.)	Std. Error	Beta (Std.)	t	Sig.
(Constant)	0.036	0.104		0.348	0.728
Revenue Monitoring	0.606	0.022	0.837	27.385	0.000
Accountability	0.149	0.018	0.199	8.248	0.000
Budget Discipline	0.135	0.024	0.042	5.642	0.000

Dependent Variable: Healthcare Delivery; Source: SPSS Output, 2025

Discussion of Hypotheses

Ho_1 — Revenue monitoring has not significantly affected healthcare delivery: The unstandardized coefficient for revenue monitoring stood at 0.606 ($t = 27.385$; $p < 0.001$), which is positive and highly significant. The null hypothesis is therefore rejected. Revenue monitoring is the strongest predictor of healthcare delivery ($\beta = 0.837$), affirming that systematic oversight of revenue collection directly enhances the fiscal resources available for primary healthcare provision. This aligns with findings by Adesoji and Chike (2013) and Kawugana and Faruna (2019), who linked monitoring deficits to revenue misappropriation.

Ho_2 — Accountability has not significantly affected healthcare delivery: Accountability among revenue officers yielded an unstandardized coefficient of 0.149 ($t = 8.248$; $p < 0.001$). The null hypothesis is rejected. Accountability mechanisms including information dissemination, open communication, and participative decision-making — positively influence healthcare delivery by building public trust and reducing revenue diversion. This is consistent with the World Bank (2004) finding that successful service delivery for poor people emerges from accountable institutional relationships.

Ho_3 — Budget discipline has not significantly affected healthcare delivery: Budget discipline among administrators produced an unstandardized coefficient of 0.135 ($t = 5.642$; $p < 0.001$). The null hypothesis is rejected. While budget discipline has the smallest coefficient among the three predictors, it remains significant, indicating that adherence to approved expenditure limits and rigorous pre-expenditure scrutiny ensures that available revenues are translated into actual healthcare services. This corroborates Yunana, Yunana, and Ahmad (2019), who found a significant positive relationship between IGR measures and local government development.

Qualitative Findings

Thematic analysis of interview responses from key informants across all clusters corroborated the quantitative findings. Four major themes emerged:

Theme I — Factors enhancing revenue generation: Respondents unanimously identified effective tax collection, diversification of revenue sources, investment in local infrastructure, and improved transparency and accountability as the key drivers of enhanced IGR in Damaturu LGA.

Theme II — Revenue monitoring and healthcare delivery: Respondents affirmed that routine monitoring has reduced corruption among revenue collectors, increased IGR, and consequently enabled the Local Government Service Commission to award more service delivery projects to the council.

Theme III — Accountability and healthcare delivery: Respondents noted that improved information dissemination, two-way communication between executives and citizens, and participative planning have not only enhanced healthcare delivery but also ensured that services reflect community priority needs.

Theme IV — Budget discipline and healthcare delivery: Respondents agreed that adherence to the Authority to Incur Expenditure (AIE) limits and meticulous budget scrutiny before project implementation have ensured efficiency in the provision of preventive healthcare, sanitation services, and immunisation programmes.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

This study has empirically established that internally generated revenue prudency — operationalised through revenue monitoring, accountability, and budget discipline — positively and significantly affects primary healthcare delivery in Damaturu Local Government Area, Yobe State. The regression model, which accounts for 96.4% of the variance in healthcare delivery, demonstrates the critical role of financial management practices in local government service provision. Qualitative evidence from key informants and focus group discussions further validates these findings.

The study fills an important gap in the literature by introducing budget discipline as a third predictor variable alongside monitoring and accountability, and by focusing specifically on healthcare delivery (rather than general service delivery) in a northeastern Nigerian local government context characterised by security and governance challenges.

Recommendations

On the basis of the findings, the following recommendations are made:

i. Revenue Monitoring: The monitoring committee responsible for revenue oversight should be strengthened through additional staffing, technology, and clear performance benchmarks to ensure that revenue collectors generate optimum income. Monitoring efforts should be complemented by parallel investment in social services including primary healthcare facilities.

ii. Accountability: Incentive mechanisms for revenue collectors including performance-based bonuses and public recognition should be instituted to discourage misappropriation and encourage diligent service. Transparent reporting of IGR performance to the public should be institutionalised.

iii. Budget Discipline: Local government administrators should be sensitised and trained on the imperative of strict budget discipline, including adherence to Authority to Incur Expenditure (AIE) limits and the appropriation act. Zero-tolerance policies for budget violations should be enforced, with commensurate sanctions.

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