



**KANO STATE HOUSE OF ASSEMBLY
FEDERAL REPUBLIC OF NIGERIA**

REPORT OF THE JOINT COMMITTEE ON FINANCE AND THAT OF LOCAL GOVERNMENT AND CHIEFTAINCY AFFAIRS ON THE CAUSE OF LOW REVENUE GENERATION IN THE 44 LOCAL GOVERNMENTS IN THE STATE.

COMMITTEE MEMBERS

1. Hon. Pharm. Magaji Dahiru Zarewa
2. Rt. Hon. Zubairu Hamza Massu (Deputy Speaker)
3. Hon. Abdullahi Iliyasu Yaryasa (Dep Maj. Leader)
4. Hon. Hayatu Musa D/Sallau (Majority Whip)
5. Hon. Salisu Ibrahim Muhammad
6. Hon. Tasiu Ibrahim Zabainawa

STATUS

- Chairman (Finance Committee)
- Chairman (Local Govt and Chieftaincy Affairs)
- Member
- Member
- Member
- Member

7.	Hon. Sale Ahmed Marke	Member
8.	Hon. Abba Ibrahim Garko	Member
9.	Hon. Abdullahi Nuhu Achika	Member
10.	Hon. Salisu Muhammad Dan'azumi	Member
11.	Hon. Lawan Shehu	Member
12.	Hon. Umar Musa Gama	Member
13.	Hon. Nuradden Alhassan Ahmad	Member
14.	Hon. Mu'azzam El-Yakub	Member
15.	Hon. Mudassir Ibrahim	Member
16.	Abubakar Bala Muhammad	Secretary (Finance)
17.	Lawan Yusuf Sagagi	Secretary (Local Govt and Chieftaincy Affairs)

1.0 Introduction

The Rt. Hon. Speaker, distinguished Honorable Colleagues, you may recall the formation of Joint Committee of Finance and that of Local Government and Chieftaincy Affairs constituted on Tuesday 15th December, 2020 by this Honorable House. This follows a resolution which mandated the committees to among other things;

- a) meet with the Ministry of Finance along with its parastatals, and Ministry for Local Government with a view to ensure compliance with existing revenue laws,
- b) find out the ways of generating revenue in the 44 Local Governments through Motor Parks, Markets and other Services;
- c) find out ways of stopping leakages from revenue collectors and leasing of revenue centres;
- d) invite the Hon. Commissioner, Permanent Secretaries, and other relevant Directors with a view to finding a lasting solution.

The joint committees are however, mandated to report back findings and recommendations within five (5) weeks.

2.0 Methodology

Mr. Speaker my respected Honorable Members, in an effort to carry out this crucial assignment successfully, the committee extended;

1. Invitation letter to the Ministry of Finance
2. Invitation letter to the Ministry for Local Government and chieftaincy Affairs
3. Invitation letter to the Kano Internal Revenue Services
4. Make visitation to 12 Local Government areas (per Senatorial Zone)

5. Meeting with various stakeholders from above for this significant role
6. Four selected Local Governments in the senatorial zones were selected
7. Meeting was held with relevant stakeholders after which they were mandated to submit the following documents:
 - i) Cash Book Revenue
 - ii) Bank Reconciliation Statement for the period of January, 2020 - December, 2020
 - iii) Cash Receipt
 - iv) Daily Abstract of Revenue and Expenditure

However, they honored the invitation and the nitty-gritty of revenue generation were exhaustively discussed and analyzed as follows:

S/N	NO of L.G Visited	Updated Revenue Analysis Register	Bank Reconciliation Statement	Data Base	Recognized Revenue Committee	Leasing of Centers	Daily Abstract of Revenue and Expenditure
1.	A	0%	40%	0%	0%	80%	20%
2.	B	0%	20%	0%	0%	75%	0%
3.	C	0%	20%	0%	0%	60%	0%
4.	D	0%	20%	0%	0%	80%	0%
5.	E	55%	40%	0%	0%	80%	0%
6.	F	60%	40%	0%	0%	80%	0%
7.	G	0%	0%	0%	0%	80%	0%
8.	H	0%	0%	0%	0%	80%	0%
9.	I	30%	0%	0%	0%	70%	0%
10.	J	0%	0%	0%	0%	70%	0%
11.	K	0%	0%	0%	0%	70%	0%
12.	L	0%	0%	0%	0%	70%	0%
Average		12%	13.5%	0%	0%	74%	1.67%

3.0 Findings/Observations

Mr. Speaker, distinguished Honorable Members, after meticulous examinations of the Financial and revenue documents as well as the bilateral discussions held with Ministries and relevant Parastatals, the committees present the following findings/observations;

1. Non availability and lack of knowledge of existing revenue laws at local government level
2. Non compliance with existing revenue laws
3. Lack of revenue database
4. Non compliance with existing revenue laws. In many places Task Force replaces the duties of the committee
5. Inadequate capable hands to administer revenue generation
6. Lack of transparency and accountability in the revenue generation
7. Non automation of revenue system
8. Poor enforcement mechanism of revenue collection
9. Nonpayment of 10% of total internally revenue generated by the state to local governments as required by law
10. Decentralization of printing and issuing of official government receipt

11. Inadequate sensitization and mobilization of relevant stakeholders that is taxpayers, tax administrators, unionists etc.
12. Leasing out of revenue assessment and collection by local government officials to consultants
13. The novel Covid-19 Pandemic also contributed to poor revenue generation in the Local Governments.
14. The fall down of oil price in the global market as well as economic recession have contributed to low revenue generation in the Local Governments
15. That political interference has been significantly played a very vital role in revenue shrinkage.

3.0 Recommendations

Mr. Speaker, my dear Honorable colleagues, after careful analysis of the Financial Document and the findings above, these committees deemed it appropriate to recommend the followings;

1. Review of existing Revenue Laws to meet the current situation and be in line with international best practice
2. It is recommended that, all Local Government Councils should provide revenue database
3. Provision of laws to Local Government level to enforce measures to comply with by producing operational guidelines
4. Strengthen revenue unit/committee for efficient and effective revenue assessment and collection.

5. Collaboration and synergy with all relevant stakeholders to ensure collection of validated data
6. Joint retreat to be organized with relevant stakeholders (House of Assembly, Ministry of Finance, State Internal Revenue Service, Ministry for Local Government, Civil Society Organizations, Unionists and Media so as to share views, brainstorm, identify gaps and solve differences in accordance with relevant laws
7. Consultant shall not be engage in revenue assessment and collection but only be limited to technical advisory services (where necessary)
8. There is need for transparency and accountability in assessing, collection and accounting of revenue in accordance with relevant laws
9. Ensure that all payments are paid through and other means of payments channels e.g., POS, while in the long run there is need for full automation of assessment and collection process
10. Effective and efficient implementation of relevant enforcement provision revenue laws
11. Ensure payment of 10% of internally generated revenue collected by the state to 44 Local Government as specified by the Law
12. Need for continuous advocacy and public enlightenment on general revenue administration via radio jingles. Pamphlets traditional rulers, religious leaders etc.

13. Leasing of revenue assessment and collection must be stopped to enhance regular cash flow at Local Government.
14. It strongly advised that, all Local Government Councils should make use of daily abstract of revenue and expenditure book.
15. There is need to centralized the production of Revenue Receipts. Government Printing Press should officially provide Revenue Receipts to all Government Agencies including Local Government Councils.
16. The Committee strongly advised the Hon. House to enact law that will empower the State Government to administer revenue collection in all the 44 Local Government Councils as being practiced in Kaduna, Lagos and Rivers States as leading revenue generating States in the nation.

4.0 Conclusion

Mr. Speaker sir, my dear Honorable Members, on behalf of the Members and the secretariats staff of this committee, I thank you most sincerely for your attention. Mr. Speaker Sir, we urge this Honourable House to mandate its' Standing Committee on Local Government and Chieftaincy Affairs to follow up this report for implementation

Finally, Mr. Speaker, Honorable Members, we pray this report and the recommendations would be adopted so as to stop revenue leakages and improve revenue generations by the Local Governments in the state.

Hon. Pharm. Magaji Dahiru Zarewa
Chairman Finance Committee

Rt. Hon. Zubairu Hamza Massu, Dep. Speaker
Chairman Local Government Committee

Abubakar Bala Muhammad
Secretary Finance Committee

Lawan Yusuf Sagagi
Secretary Local Government Committee