

FINANCIAL INTELLIGENCE AND PUBLIC FINANCIAL MANAGEMENT ANALYSIS OF LOCAL GOVERNMENT AUTONOMY IN AKWA IBOM STATE (2019-2023)

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Abstract

The study examined the extent of enforcement of local government autonomy in Akwa Ibom State by Nigerian Financial Intelligence Unit (NFIU) between 2019 and 2023. The theory of justice by John Rawls in 1970 was adopted in the study. Secondary data from books, journals, newspapers and internet were derived and used, while an ex-post facto research design and content analysis were adopted as method of data analysis for the study. The research question, hypothesis and empirical findings which stemmed out of the singular objective of the study reveals that legal actions on local government autonomy; to constitutional issues; actions of the Nigerian Governors' Forum (NGF), activities of Association of Local Government of Nigeria (ALGON); the criticisms of the press and the frustration of the masses, and so on, are the reasons for non-enforcement of local government autonomy in Akwa Ibom State by the Nigerian Financial Intelligence Unit (NFIU) between 2019 and 2023. Based on the finding, it was therefore recommended that, the Federal Government should create a round table to re-negotiate and resolve all the reasons, despite how cogent they may be.

Keywords: NFIU, Public Financial Management (PFM), Akwa Ibom State, Local Government and Local Government Autonomy.

Introduction

The Nigerian Financial Intelligence Unit (NFIU) is the Nigerian federal agency responsible for collecting and analyzing disclosures from reporting organizations in order to produce financial intelligence to other agencies combating money laundering, terrorism financing, and other financial crimes. It acts as the Financial Intelligence Unit for Nigeria. On the other hand, Public financial management (PFM) is a central element of a functioning administration, underlying all government activities. It encompasses the mechanisms through which public resources are collected, allocated, spent and accounted for. As such, PFM processes comprise the whole budget cycle, public procurement, audit practices and revenue collection. Sound, transparent and accountable

public financial management is a key pillar of governance reform and of vital importance to provide public services of good quality to citizens, as well as to create and maintain fair and sustainable economic and social conditions in a country.

Importantly, PFM is a central element of a functioning local government administration. Nwabuoku and Esavwede (2009) have provided a constitutional background on the establishment of local government in Nigeria. According to them, "Local governments are covered under section 7 of the 1999 Constitution, which states that every state must ensure their existence under a legislation that specifies the creation, organization, composition, finances, and activities of such Councils. This section is subject to section 8 of the Constitution. New local governments may be created under section 8. The aforementioned sections provide significant authority over local governance on the States and their Houses of

Assembly. The various controls make the issue of local government autonomy questionable; with the question of whether the current situation of the establishment, composition, structure, functions, and funding of local governments are adequate; whether a constitutional amendment to give the local government a new lease of life would suffice; and whether any efforts can be made to actualize same.

It was against the foregoing that this study was intended to unravel the disturbing scenario that surrounded the positive intentions of the federal government of Nigeria during the administration of President Muhammadu Buhari which compelled the Nigerian Financial Intelligence Unit (NFIU) to embark on a compulsory disbursements of public funds to local government accounts as a result of the President's instructions to enforce local government autonomy across the country, an action that was vehemently resisted by many local government areas in the country, including Akwa Ibom State. While some states used the Nigerian Governors Forum to destabilize the good intentions of NFIU, some of the 774 local government areas, particularly those in Akwa Ibom State, under the aegis Association of Local Government of Nigeria (ALGON) were even accused of having sued NFIU to court with a prayer to allow their funds to be managed by the state government.

This study has only one subsidiary objective, which is to find out the reasons why the Nigerian Financial Intelligence Unit (NFIU) could not enforce local government autonomy across the country, particularly in Akwa Ibom State between 2019 and 2023. It hypothesizes that there were most likely to be cogent reasons why the Nigerian Financial Intelligence Unit (NFIU) could not enforce local government autonomy across the country, particularly in Akwa Ibom State between 2019 and 2023.

Conceptual Literature

Nigerian Financial Intelligence Unit (NFIU)

The Nigerian Financial Intelligence Unit (NFIU) is the Nigerian federal agency responsible for collecting and analyzing disclosures from reporting organizations, in order to produce financial intelligence to other agencies combating money laundering, terrorism financing, and other financial crimes (Kunle, 2022, 2023). It acts as the Financial Intelligence Unit for Nigeria. The NFIU was established in 2004 as an autonomous unit within the central coordinating body for the country's Anti-Money Laundering, Counter-Terrorist Financing, and Counter-Proliferation Financing (AML/CFT/CPF) framework of the Central Bank of Nigeria. It also operates as part of Economic and Financial Crimes Commission. In 2007, the NFIU joined the Egmont Group of Financial Intelligence Units, an international organization that facilitates cooperation and intelligence sharing between national financial intelligence units to investigate and prevent money laundering and terrorist financing. But in the first quarter of 2022, about N150 trillion worth of transactions in Nigeria were reported as "suspicious" by the NFIU (NFIU, 2023)

In January 2023, NFIU issued a ban on the Federal, State, and Local Governments from making cash withdrawals from their own accounts. According to the NFIU, this was implemented as a measure to curb financial abuses of government funds as state governments had withdrawn a total of N701 billion cash from 2015 till January 2023 (Ejike, 2023). This was criticized by the Nigerian Governors Forum which stated that the NFIU's advisory and guidelines on cash transactions were outside the agency's mandate.

Public Financial Management (PFM)

Public financial management (PFM) is a central element of a functioning administration, underlying all government activities. It

encompasses the mechanisms through which public resources are collected, allocated, spent and accounted for. As such, PFM processes comprise the whole budget cycle, public procurement, audit practices and revenue collection. Sound, transparent and accountable public financial management is a key pillar of governance reform and of vital importance to provide public services of good quality to citizens, as well as to create and maintain fair and sustainable economic and social conditions in a country.

PFM involves highly complex, technical tasks and processes, including macroeconomic forecasting, budget allocation, accounting and auditing. The complexity of such processes limits public scrutiny and provides many opportunities for corruption. The risk of corruption varies between and within the different stages of the budget process. Although corruption primarily manifests itself in forms that involve illegal money transfers at the budget execution level, other steps of the budget process may create opportunities for corruption at other stages of the PFM process, such as budget formulation, budget approval, accounting and reporting or audit stages.

PFM reforms have typically focused on achieving and securing overall economic and fiscal stability, allocative efficiency and operational efficiency. To this end, PFM reforms mostly prioritize technical approaches to improve the performance of the PFM systems, including through the integration, modernization and automation of PFM processes, revenue collection, public expenditure management and procurement systems. While these reforms are not primarily aimed at curbing corruption, there is a broad consensus that they can help prevent and detect misuse of public resources through

streamlined processes, increased transparency and stronger oversight.

Recent trends in PFM reforms call for moving beyond technical reforms and paying more attention to transparency, accountability and public participation in PFM. Global initiatives, such as the Open Government Partnership, the Global Initiative for Fiscal Transparency (GIFT) and the International Budget Partnership are working for this purpose.

Local Government

Local government (LG) is the third tier of government that is domesticated at the grassroots level outside the State and Federal governments. LGs are established to ensure effective governance at the local level. Nigeria operates federal system that envisages autonomy for every level of government. Contrarily, there has been the issue of LG inability to ensure the provision of quality infrastructural and developmental projects and its inability to initiate, implement and execute projects at the localities according to constitutional provisions. All these are attributed to the state government's dominance of the affairs of local governments (Okorie, Obasi, Nwosu, Chukwu, Akanu, & Ngwuta, 2023).

Local Government Autonomy

Okorie et al (2023) argued that in recent times, issues of Local government autonomy have generated debates among scholars (Hidayat, 2017; WHO, 2018). Significant contributors seem to favor complete autonomy to LGs, given the volume of expected services and considering large population resident at the local government areas and their role in shaping government policies as well as a measure of democratic governance. The argument has been that lack of LG autonomy is directly responsible for poor services at the LG

level. These services are contained in the 1999 Constitution of the federal republic of Nigeria, such as: political (Hidayat, 2017), bureaucratic (Kuhlmann and Wayenberg, 2016) as well as financial (Kyriacou, et al., 2015; Zareh, et al., 2015). Others have blamed poor services at the LG level on a number of other factors such as leadership (Uche, 2014) and constitutional interpretation. There are three phases of the local government autonomy, such as fiscal autonomy, administrative or bureaucratic autonomy, and political autonomy.

Fiscal Autonomy

In their research, Okorie (2023) have posited that finance poses a major treat to LGs specifically in emerging nations like Nigeria. There tends to be uncertainty that the capacity of the LGs to accomplish their constitutionally assigned roles is dependent on the funds attainable to them. Local Government fiscal autonomy is derived from the fiscal federalism as it is operated in the Nigerian federation. Fiscal federalism is the transfer of functions, resources and authority to peripheral levels of government. It also relates to the disposition of tax powers, retention of revenue and methods adopted in sharing centrally collected revenue in accordance with the constitutional responsibilities of all levels of government (Osakwe, 1999).

Financial autonomy under a federal system of government is that each government enjoys a separate existence and financial independence from the control of the other governments. It is an autonomy which requires the legal and physical existence of an apparatus of government such as financial autonomy enjoyed by legislative assembly, Governor, and court, among others (Adeyemo, 2005). Fiscal autonomy therefore undoubtedly denotes the liberty enjoyed by the LG to oversee their funds or

financial resources without any interference from other tiers of government.

Administrative or Bureaucratic Autonomy

Bureaucracy is conceived as the rule of officials (Albrow, 1970). Weber conceptualized bureaucracy it as a rational organization controlled on the basis of rational management, hierarchical authority and technical knowledge aimed at maximum organizational efficiency (Muozelis, 1967). An organization is self-governing when it has the capacity to employ or engage and disengage its employees. In line with this, (Okoli, 2005) posited that LG should be autonomous having freedom to recruit and manage its own staff, raise and manage its own finances, make policies, laws and provide services within the limits of its resources and functions without interference, the local government system in Nigeria still have some constraints that have impeded its autonomy. This implies state whereby the local government has the full bureaucratic autonomy of hiring, managing, and servicing its human resources without the interference of the state government.

Political Autonomy

Section 7 of the 1999 constitution of the Federal Republic of Nigeria empowers the LGs and provides that the system of local government by democratically elected local government councils is under the constitution guaranteed; and accordingly, the government of every state shall subject to section 8 of the constitution, ensure their existence under a law which provides for the establishment, structure, composition, finance and functions of such councils (Federal Republic of Nigeria, 1999). Political autonomy encourages a Local Government comprised of elected members who drive it and is similarly identified as local involvement of individuals at the grassroots.

It is of utmost importance for the individuals of the local area to participate in activities regarding functions of the LG. This denotes fairness at the grassroots. The issue of accountability should be reckoned on the local people at the grassroots by those representatives elected by the people. This will, in return, ensure effectiveness and efficiency in performance. Political autonomy creates the opportunity for the elected representatives to be dedicated and concerned in matters relating to the issues on the desires and hopes of the local people.

Notably, the federal government has recently advocated the path of local government autonomy owing to the fact that the states of the federation have continued to infringe on the exclusive and allocated responsibilities of the local governments (The Guardian, 2021). Ideally, Local Government tends to be the third tier of government in every federating unit and consequently, all LGs are supposed to be self-reliant politically, administratively or bureaucratically and fiscally so as to ensure its efficiency and effectiveness. Local government is a level of government of a political system at the grassroots and is endowed with the powers to make local laws (byelaws) and policies. Contrarily, state governors have consistently refused to ascribe to this idea of autonomy, thereby imploring every possible measure to stamper the quest for full independence of the local councils to enable them take full control of local government finance. Eneanya (2009) posited that there has been a high level of gradual erosion of power and autonomy at the local councils. There is no clear cut separation of powers as expected in the presidential system of government.

The 1979 Constitution vested state governments to endorse legislation safeguarding the formation, structure, composition, finance and functions of the local government. The

interpretation to this is that Local Government remained a role of the state government, the position which was particularly presumed by the state governments as replicated in the uncharacteristic practice of appointing caretaker committees by state government. There is no doubt that the constitution erroneously empowered the governors to control local councils through the State and Local Government joint accounts, which makes it impossible for the realization of full fiscal autonomy of the local governments thereby making development and good service delivery at the local level unrealizable. Funds allocated to local government through revenue sharing have consistently been hijacked by the various state governments through the idea of State Local Government Joint Account (SLGJA). To ascertain this claim, the Revenue Mobilization Allocation and Fiscal Commission (RMAFC) in 2019 posited that the State Governors are deserting their statutory responsibilities in respect of the state/local governments' joint account (Aliyu, Afolabi & Akinwande, 2013).

The States through the joint account continue to dictate projects and disburse funds to the local councils of interest, and this inevitably leads to uneven development. The officials who ought to have been elected by the people are rather imposed on the grassroots populace by the state governors. They are practically done in connivance with the officials of the State Independent Electoral Commissions (SIECs) of the various states. With this interplay, it becomes difficult and almost impossible for the emergence of leaders from opposition party at the local council level because the state government will ensure that its party sweeps all the elective positions through impositions. Most times the state governors are more comfortable with non-democratic leadership than democratic ones.

Local Autonomy is primarily concerned with the question of responsibilities, resources and discretion conferred on the local authorities. In Nigeria, there tend to be a vivid constitutional basis for local freedom but with heavy financial dependence on the center.

Empirical Literature

Nigerian Governors' Forum (NGF), according to Samson & Stanley (2015) in its statement became worried as the forum felt that Governors may lose control of local government funds from the Federation Account, going by the new Nigerian Financial Intelligence Unit (NFIU) guidelines. The Joint Account System (JAS) in place in most states will only exist for the receipt of allocations but not disbursement, according to the guidelines. Besides, each of the 774 local government areas may get N500,000 cash transactions limit per day. All financial transactions by local governments will be registered and monitored by the NFIU through e-payment module. Udoh *et al* (2017) is worried by the attitude of NGF towards the fiscal marginalization on the third tier of government in Nigeria, a body, according to the author that often agitates for restructuring, true federalism or devolution of powers from the federal government.

But when it was learnt that the administration of President Muhammadu Buhari floated the idea to restore the financial independence of local governments. The new Director of NFIU, Mr. Modibbo Hamman-Tukur was suspected to have set to roll out the comprehensive guidelines which covered government, corporate, Bureau De Change and individual financial transactions.

These are some of the highlights of the new guidelines which the NFIU later launched in Abuja as part of steps to check mass looting of the treasury by local government officials and diversion of LGA funds by governors.

The NFIU launched new financial guidelines, including those bordering on the operations of the local government accounts. The guidelines limited cash transactions in the

accounts of local governments and promoted registered transactions by all the local governments. The guidelines ensured that state governors would lack control over the utilization of these funds of local governments. The Joint Account System in some states would only exist for the receipt of federal allocations meant for local governments and not disbursement. Udoh *et al*(2018) wonders why the new financial guidelines as well as the adoption of Treasury Single Account (TSA) of the federal government could not check the excessive financial improprieties of the state governments in the country.

NGF also said, "The administration of President Muhammadu Buhari is taking his anti-corruption campaign to a higher level by also blocking sources of stealing in government at all levels, money laundering, terrorism financing and others. We should expect more transparency in governance, especially at the third tier, which is the local government level" (*ibid*). President Buhari on July 11, 2018 signed the NFIU Bill into law in line with the requirements of Recommendation 29 of the Financial Action Task Force Standards and Article 14 of the United Nations Convention Against Corruption. The new Act has separated the NFIU from the Economic and Financial Crimes Commission (EFCC). In January 2023, NFIU issued a ban on the federal, state, and local governments from making cash withdrawals from their own accounts. According to the NFIU, this was implemented as a measure to curb financial abuses of government funds as state governments had withdrawn a total of N701 billion cash from 2015 till January, 2023(Ejike, 2023).

The NFIU began operations on April 1, 2019. A statement by the NFIU through its Acting Chief Media Analyst, Mr. Ahmed Dikko, said it will soon complete the beneficial ownership database for politically exposed persons. The statement said: "The main focus of the NFIU will be to fight all crimes through money laundering, terrorism financing and proliferation of weapons real time analyses in the entire country. Significant measures to be implemented by the NFIU in the

near future will include full implementation of the National Sanctions regime to all detected areas of vulnerabilities within our systems. Other areas include issuing guidelines; advisories etc. that will affect cash transactions processes of local, state, federal governments and bureau de change etc". Apart from the ban on the federal, state, and local governments from making cash withdrawals from their own accounts. The Nigerian Governors Forum in also criticizing the newly created financial agency, stated that the NFIU's advisory and guidelines on cash transactions were outside the agency's mandate (Sanni, 2023). In making reference to some landmarks between 2008 and 2017, Udoh (2018) is of the opinion that proper public financial management could gender effective rural development in Akwa Ibom State. The opinion was corroborated by Mboho *et al* (2014) and Mboho *et al* (2018) who held that resource control is the panacea for sustainable peace and development.

Furthermore, "the Unit will release new reporting requirements on suspicious transactions for terrorism prone areas and on suspects taken into custody in violent and flashpoint communities to check vices of terrorism, proliferation of small arms, kidnapping, ethnic violence, cattle rustlings etc. with the view to providing credible intelligence for law enforcement and national security. Finally, efforts of the Federal Government to set up the beneficial ownership data base for politically exposed persons and public servants will be completed and expanded to capture additional necessary areas. The new process which includes new approach to analyzing compliance in public account expenditures will almost shut down corruption from the way we used to know and new transparency methods will come to governance" (*ibid*).

Worried over the NFIU's intervention in the financial management of local government councils in Nigeria, the Nigeria Governors' Forum (NGF) further insisted that the NFIU has no business meddling in how state governments disburse funds to their respective local governments. The governors, in a letter issued on their behalf by Abdulrazaque Bello-Barkindo, NGF

spokesman, asked President Muhammadu Buhari to call the NFIU to order (Sanni, 2023). The unit had on May 6, 2019 announced new guidelines which would make the joint account system currently in use by state and local governments only exist for the receipt of allocations from the federation account but not for disbursement. By implication, governors may lose control of local government funds. This is part of the measures put in place to guarantee local government autonomy. The NFIU also issued another warning, asking the governors to steer clear of local government funds effective from June 1, 2019. But the governors described the measures as a "brazen attempt by the NFIU to ridicule our collective integrity". They argued that the move violates the constitution, adding that they reserve the powers to make statutory allocations to the local governments (Sanni, 2023).

Extracting copiously from the constitution, governors drew the attention of the President to section (6) (a) and (b) which confers on the States and National Assemblies the powers to make provisions for statutory allocation of Public revenue to the Local Councils in the Federation and within the states respectively (Sanni, 2023). Similarly, the Governors added, Section 162 (6) expressly provides for the creation of the States Joint Local Government Account (SJLGA) into which shall be paid all allocations to the LGAs of the State from the Federation Account and from the government of the state. The NGF Chairman emphasized that nothing in the NFIU Act 2018 gives the body the powers that it seeks to exercise in the guidelines that it released and is therefore acting in excess of its powers and by so doing, NFIU exhibits complete disregard of the constitution of Nigeria" (Sanni, 2023).

The Governors added that local government councils are a creation of the constitution and are not financial institutions, thus: "They are not reporting entities and are therefore not under the NFIU in the manner contemplated by the NFIU so-called guidelines" (Sanni, 2023).

In principle, the NFIU should concentrate on its core mandate of Anti-money Laundering (AML) activities and Combating Financing Terrorism (CTF) as prescribed in the Act establishing it and should desist from encroaching on or even breaching constitutional provisions. The NFIU should seek to comply with those standards on combating Money Laundering and Financing of Terrorism and its proliferation as stipulated and not dabble into matters that are both constitutional and beyond NFIU purview” (Sanni, 2023).

Okorie et al (2023) reported that Anayochukwu & Ani (2021) conducted a quantitative study on the problems and prospects of Local Government Autonomy in Nigeria and found that the areas of jurisdictional rivalry between the state and local governments are mainly the beneficial ones, like rate collection, distribution of fertilizers, and other farm inputs like pesticides. Thus, the study concluded that legal and constitutional requirements, no matter how foolproof they may be, cannot guarantee true autonomy for the local government as a tier, unless the political will exists on the part of a statesman to streamline and stabilize this very critical level of government. The study recommended that local government autonomy is fastened on an improved revenue base, adherence to constitutional provisions, political stability, accountability, and transparency in governance; and that to enhance the efficiency and effectiveness of the local government system, there is an urgent need to review the constitution and delimit areas of inter-governmental frictions especially in electoral matters, creation of local governments, tenure of councils, and finance. The council elections should be conducted as and when due, to avoid a democratic vacuum that is dangerous to the local government system.

Felix & Okonette (2013) conducted a study on the politics of local government autonomy in Nigeria. The study adopted a qualitative research approach and thematic analysis to discover and explain that in Nigeria, the federal and state governments mostly transfer the kind of autonomy shaped by ethnic

considerations to the local governments. The study revealed that the blockage of local government autonomy is further evident at the fiscal and management employment stages than in any other areas of intergovernmental dealings. The study concludes that local government is a distinctive political arrangement and the degree of autonomy it enjoys from federal or regional or state government corresponds with the politics of the state. Thus, the study recommended that the federal and state governments should take charge of roles suitable for them and entrust other roles to the local government with sufficient fiscal aid.

Doho, Ahmed & Umar (2018) researched on the struggles and challenges of Local Government Autonomy in Nigeria. The study adopted a qualitative research approach to discover and explain that the local government as the third tier system of government in Nigeria is confronted with constitutional hitches. The study concluded that the 1999 Constitution of the Federal Republic of Nigeria generated major flaws, practices and uncertainty often subjugated to devastate the local government and afterward made them adjuncts to the State Governments, and consequent upon this, the local government, in some states, function as meager extensions of the State Ministry. The study recommended that section 7 (1) of the 1999 Constitution of Federal Republic of Nigeria as amended should be erased and that structure, finance, establishment, composition and function of the local government councils should not be vested in the Constitution rather than State Houses of Assembly.

Also, Imhanlanhi & Ikeanyi (2009) conducted a study concerning local government autonomy and development of localities in Nigeria. The study adopted a qualitative research approach to discover and explain that insufficient treatment of practically all the issues concerning autonomy which include local government representation, its revenue and personnel have posed some challenges for the development of local governments. The study concluded that local areas are disparagingly in need of developmental ventures and improved existence such as construction of roads, provision of health

facilities, and pipe borne water from the local government and also established that local government only contribute marginally in the localities. Thus, the study recommended that local governments should intensify efforts towards ensuring its autonomy through an improved internal revenue generation and clear development influence in the localities, so as to ensure proper democratic consolidation and reduced corruption.

Samson & Stanley (2015) carried out a research entitled “State Governors as Albatross to Democracy and Local Self-Government in Nigeria”. Adopting historical and content analysis methods, the study revealed that since the year 1999 and emergence of the fourth republic, not less than seven state governors have dismissed or dissolved local government councils in the country and also denied them access to statutory allocations or deny them of their full responsibilities. The study recommended a full autonomy to local government councils and empowerment of the people at the grassroots to sack their representatives either through recall or by denying them the opportunity for another term of office through the ballot.

Similarly, Osakede, Ijimakinwa & Adesanya (2016) researched on empirical analysis on the local government financial autonomy in Nigeria. The study revealed that local government lack fiscal autonomy in Nigeria and that it thwarts effective and efficient service delivery at the grassroots. The study also revealed that excessive interference of state government in their local affairs and corruption among local government officials unfavorably affected the delivery of effective services to the rural dwellers. The study recommended that full financial autonomy should be granted to local councils on matter statutorily assigned to local governments; the state/local government joint account should be rescinded; and transparent officials should be put at the helm of affairs of the local councils. From empirical evidence in extant literature, the rationale behind the declaration of local government as the third tier government as included in the 1979 constitution was to bring

government closer to the people and effective service delivery to the rural areas.

Theoretical Explanation

John Rawls theory of justice was considered the most appropriate for this study. The theory was propounded in 1970 in an attempt to solve the problem of distributive justice (the socially just distribution of goods in a society) by utilizing a variant of the familiar device of the social contract. Rawls’ theory of justice attempts to solve the problem of distributive justice. Rawls’ argument in the theory of justice is that the concept of freedom and equality are not mutually exclusive. The author assessment of the justice system led him to conclude that for justice to be truly just, everyone must be afforded the same right under the law. The researcher segmented Rawls’ theory into three (3) parts, namely: individualistic phase, institutional phase and societal phase.

In the first part of the book, which the researcher calls, the individualistic phase, Rawls asks: “if everyone were stripped of their privileges and social status and made entirely equal, what kind of justice system would they want to be subject to? Thus, he concludes that the only logical choice is to pick a system that treats people equally, regardless of their race, class, gender, etc. In the second part of the theory, the institutional phase, Rawls discusses how the theory of justice would affect institutions today, and without pointing fingers, the author makes it clear that no one is living up to his standards.

Finally, in the third part of the theory, described by the researcher as the societal phase, Rawls describes the good effect that a real justice system can have on the society. It is however, against the foregoing that John Rawls’ theory of justice became more suitable for the study, because of its comprehensive attention to individuals, institution and society.

Methodology

This study is basically a qualitative research, because the paper adopts secondary sources of data sourced from books, journals, magazines, internet and other relevant sources of information that relate to the subject matter. The ex-post facto research design and content analysis were adopted as method of data analysis for the study.

This study was carried out in Akwa Ibom State, which is a State in the South-South geopolitical zone of Nigeria. It is bound on the east by Cross River State, on the west by Rivers State and Abia State, and on the south by the Atlantic Ocean. The state takes its name from the Qua Iboe River which bisects the State before flowing into the Bight of Bonny (NPC, 2006 - 2016). Akwa Ibom was split from Cross River State in 1987; its capital city is Uyo and it has 31 other local government areas.

According to the NPC (2006 - 2016), of the 36 states of Nigeria, Akwa Ibom is the 30th largest in area and fifteenth most populous with an estimated population of nearly 5.5 million as of 2016. Geographically, the state is divided between the Central African mangroves in the coastal far south and the Cross-Niger transition forests in the rest of the state. Other important geographical features are the Imo and Cross rivers which flow along Akwa Ibom's eastern and western borders, respectively while the Qua Iboe River bisects the state before flowing into the Bight of Bonny. In the southeast corner of the state is the Stubb's Creek Forest Reserve, a heavily threatened wildlife reserve that contains declining crocodile, putty-nosed monkey, red-capped mangabey, and Sclater's guenon populations along with potentially extirpated populations of African leopard and Nigeria-Cameroon chimpanzee (Inemesit, 2018; Eniang, Akani, Amadi, Dendi,

Amori, & Luiselli, 2016; Baker, 2012; Ogar, Asuk, & Umanah, 2016). Offshore, the state is also biodiverse as there are large fish populations along with various cetacean species including bottlenose dolphins, pantropical spotted dolphins, humpback whales, and killer whales.

Discussions and Empirical Findings

In embarking on a more empirical verification on this very burning issue, the researcher postulated a hypothesis, which states that "there were most likely to be cogent reasons why the Nigerian Financial Intelligence Unit (NFIU) could not enforce local government autonomy across the country, particularly in Akwa Ibom State between 2019 and 2023". This piloted the researcher into finding out from other scholars what their thoughts and positions are on the subject. In a related study, it was posited that every administration, be it public or private is faced with the issues of public financial management (Udoh and Madueke, 2018).

Udoh (2020) wondered how the state government was able to cope with its day-to-day administration during the economic meltdown and economic recession in Nigeria and vis-à-vis in Akwa Ibom State, between 2008 and 2017. In the words of Effiong and Ekpenyong (2017), during this period, many people, disabled alike, were thrown into some forms of multi-dimensional of poverty in Akwa Ibom State. Against the foregoing, Udoh (2021) and Okorie, (2012), frowned at total dependence on oil and foreign aids for the development of Nigeria and advocates total self-reliance for the country. However, while studying what could have prompted the federal government to insist that the staff of federal universities in Nigeria should enroll in Integrated Payroll and Personal Information System (IPPIS), Udoh (2022) observed

that while the mode of payment evolved from time to time, the minimum wage was a subject of unending debates between labour and the government of Nigeria.

The legal implications of Local Government Autonomy have been exposed by Nwabuoku and Esavwede (2022). According to the scholars, local governments are covered under section 7 of the 1999 Constitution, which states that every state must ensure their existence under a legislation that specifies the creation, organization, composition, finances, and activities of such Councils. This section is subject to section 8 of the Constitution. New local governments may be created under section 8. The foundation of this paper is comprised of these components. The aforementioned sections provide significant authority over local governance on the States and their Houses of Assembly. It is also necessary for the constitutional limitations on local government autonomy, like legal implications to be assessed. It will be pertinent to note the provisions that limit the aforementioned autonomy before engaging in a detailed examination of local government autonomy, are as follows:

- i) According to section 7(1) of the 1999 Constitution, the State governments define the formation, organization, makeup, funding, and duties of local governments.
- ii) Section 8(4) of the aforementioned Constitution allows the State legislature to alter local government boundaries.
- iii) By means of section 8, the State legislature can establish new local governments.

- iv) The 1999 Constitution's section 162 gives the Federal and State governments jurisdiction over federal appropriation and disbursement to local governments.
- v) Section 6 of the Constitution establishes Customary Courts for the purpose of enforcing byelaws passed by local governments.
- vi) Through paragraph 24(6) of the third schedule of the Constitution, the National Population Commission, a federal executive entity, violates the rights of local governments with regard to the registration of births and deaths.
- vii) Revenue Mobilization Allocation and Fiscal Commission sets the salaries of political office holders across the federation, including local governments, without regard to whether any particular local government is in a position to shoulder financial burdens as required by the Constitution's paragraph 32(d), part 1, schedule 3.
- viii) As stated in paragraph 4 part ii, schedule 3 of the Constitution, the State Independent Electoral Commission (a state agency) is responsible for conducting local government elections without the involvement of the local government (Nwabuoku and Esavwede, 2022).

Conclusion and Recommendations

From the foregoing empirical review, it is evident that there were cogent reasons why the Nigerian Financial Intelligence Unit (NFIU) could not enforce local government autonomy across the country, particularly in Akwa Ibom State between 2019 and 2023. A lot of factors combined to

frustrate the good intentions of the federal government from fulfilling this dream. Some of these factors include legal actions on local government autonomy, constitutional issues, actions of the Nigerian Governors' Forum (NGF) and the Association of Local Government of Nigeria (ALGON), among others.

Based on the findings of this study, it is recommended that the Federal Government should create a round table to negotiate and resolve all the reasons that hindered the Nigerian Financial Intelligence Unit (NFIU) from being able to enforce the implementation of local

government autonomy across the country, particularly in Akwa Ibom State between 2019 and 2023. Some of those reasons to be resolved include, but may not be limited to, legal actions on local government autonomy,

constitutional issues, actions of the Nigerian Governors' Forum (NGF), activities of Association of Local Government of Nigeria (ALGON), and the criticisms of the press and the frustration of the masses, among others.

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