



Boosting Internally Generated Revenue in Local Government: Signage and Advertisement Revenue as an option for Consideration

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Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

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ABSTRACT

Internally Generated Revenue (IGR) constitute a small fraction of total revenue in most Local Government (LG), this has been a major factor to persistent insufficient funds experienced in LG. Constant paltry revenue in LG has led to inefficient service delivery and also perceived to have adversely affected LG performance and budget implementation. Therefore, there is need to diversify the IGR base of LG, this calls for study on how to boost IGR in LG with focus on Signage and Advertisement Revenue (SAR). Studies have been conducted on IGR, but not many studied the effect of SAR on IGR. Therefore, this study examined the probable effect of SAR on IGR of LG in Lagos State, Nigeria. The study employed exploratory research design. Secondary data were extracted from Auditor's General Report 2015-2021, these were analysed with descriptive and inferential statistics at 5% level of significance. The study revealed that SAR positively have effect on total IGR ($Adj.R^2=0.713431$, $F_{(1,7)}=347.0494$, $p=0.000$). The study concluded that SAR has

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significant effect on IGR of local government and that SAR contribute maximally to total IGR of LG. The study further recommends that mechanism for enhancing IGR in LG should be entrenched while revenue automation is critical for efficient signage and advertisement revenue generation. LG should also ensure that IGR are invested on provision of goods and services that would enhanced citizens' trust and payer revenue compliance. In addition, policies should be put in place to make IGR a priority for stimulating LG growth and development.

Keywords: Budget; Inefficiency; Internally generated revenue; local government; signage and advertisement revenue; trust.

1. INTRODUCTION

Local government is a grassroots government. It is the closest government to the people for political, social and administrative governance to complement the state and central government goals and policies. It is the third tier of government in Nigeria with a distinct functions for grassroots governance and development. Its creation is for growth and development of the rural and inter land areas and also to enhance the wellbeing of the citizens. Mbieli [1] opined that no country can be regarded as developed where cities goes modern and rural areas are lagging behind. Therefore, Local governments play a vital role in social economic development of the grassroots either urban or rural setting [2]. Local governments should be able to address the needs and demands of the citizens within their domain, as it is an important system to human society. Besides, finance is vital to the success of any organisation, no organisation can achieve its objectives or goals without steady funds. Most time, organisation like local government complained of insufficient funds to perform its statutory responsibilities and this hampered its objectives and goals. The question therefore, is what can local government do to resolve this persistent problem of insufficient funds? Local government should however, think outside the box to diversify its internally generated revenue base since revenue sharing formular among the three tier of governments in Nigeria does not favour local governments but only favour the federal and the states in respect of sharing percentage. Total revenue in local governments can be categorized into two, these are internal sources and external sources. However, Allison, Nwali and Ereke [3] opined that for revenue base of local governments to be enhanced, much reliance on external sources should be minimised while efforts should be geared toward internally generated sources.

Local government has numerous internal sources of revenue which can be tapped and

used to funds its annual capital and recurrent expenditures, some of these internal sources are fees, permits, licences, charges, tolls, fines, and taxes. Internally generated revenue of most local governments in developing countries constitute a small fraction of the total revenue available for funding their activities as many relied on external sources. Today, local governments are faced with fiscal crises likes high cost of governance, urbanisation, population explosion, increased infrastructural demands, dwindling oil revenue, increased health care services, and security challenge. This has created pressure on local government funds but, persistent problems of revenue insufficient via financial impropriety and fraudulent practices have render many local governments inefficient in service delivery and financial crises. Also, lack of revenue autonomy in local government has added problem to revenue generation, this make state to have undue control over viable revenue in local government areas. However, local government need aggressive efforts and strategies to boost its internally generated revenue, therefore, option for consideration is outdoor signage, advertisement and hoarding revenue, this remained untapped by most local governments in developing countries. This option will make additional funds available to local government in achieving its basic objectives.

Two major functions of local government as stated in Nigeria 1999 constitution are mandatory and concurrent functions. For mandatory function, one of the role is the control and regulation of outdoor advertisement and hoarding as highlighted in section J(a) of the fourth schedule of the 1999 constitution. This function gives local government the power to generate revenue in form of fees or charges from issuance of licence or permit for outdoor signage, advertisement and hoarding. This form of revenue has been a challenge to local government in collection with less focus and paltry revenue being generated. But, local governments in some State in Nigeria, had

delegated the power to control, regulate, monitor and generate fees or charges on signage, hoarding and advertisement to Signage and Advertisement Agency. Revenue generation by signage and advertisement agency is expected to boost IGR and thereafter enhance local government performance on its mandatory functions to the citizens in the area of construction and maintenance of, roads, streetlights, drains, parks, gardens, traditional ruler's palace, and other public facilities. In addition, enough funds will also be available to take care of the concurrent responsibilities such as the provision, funding, construction or maintenance of primary schools, vocational centers, health facilities and services, women empowerment, environmental sanitation, and maintenance of peace and security.

For local government to be self-reliant, there is need to look inward and maximise its IGR potentials. Too much focus on federal allocation to the detriment of IGR should be reduced, also this has led to IGR losses and leakages, revenue embezzlement and fraudulent practice. Internally generated funds is critical to local government, therefore, why is IGR contributing little amount to the total funds of local government? Answer to this question provoked the reason for this study. Previously, many studies had looked at IGR and other variables such as COVID-19 [4], economic development [5], tax contractors [6], inclusive development [7], tax mobilization and utilization [8], issues and strategies [9], and Assessment [10] with less focus on alternative sources like signage and advertisement. This study fills this gap by examining how signage and advertisement fees/charges revenue can boost local government total internally generated revenue. The hypothesis drafted in null forms and tested at 5% level of significance for the study is:

1.1 Signage and Advertisement Revenue Does not have Significant Effect on Total Internally Generated Revenue of Local Government

The objective of the study is to increase the body of knowledge on local government revenue and internally generated revenue, how this can be improved by looking at the option of signage and advertisement revenue, using the Lagos State Signage and Advertisement Agency (LASAA) revenue in Lagos State, Nigeria, as case study. The study will therefore, contribute to the frontier of knowledge on local government finance and

internally generated revenue drive for more funds for the provision of goods and services to the citizens and infrastructural development of local areas. However, the other part of the paper is divided into four parts, these are the review of extant literature in part two, methodology in part three, part fourth deals with data analysis and discussion of findings, and while last part deals with summary, conclusion and recommendations.

2. REVIEW OF EXTANT LITERATURE

2.1 Conceptual Review

2.1.1 Internally generated revenue in local government

Revenue in local government can be grouped into two, tax and non-tax sources. Tax revenues are compulsory payment imposed on income, profit or property, however, non-tax revenues are those imposed on usages, permit, and licences. IGR are forms of revenues endowed in local government areas to be generated for self-sustenance, these are taxes, licences, fees, levies, rates, permits, fines, and stallages. At local government, these revenues are classified into five heads, these are (1) Taxes and rates (2) Local licences, fines and rates (3) Earning from commercial undertakings and rent on local government properties (4) Interest and dividend and (5) Miscellaneous revenue. Local government ability to meet the demands of the citizens depends on amount of funds available at all times. Studies showed that most local government in Nigeria are faced with paltry internally generated revenue [11-13] with much reliance on external sources from federation account [3] which at times diverted, controlled or seized by state Governor. This has scuttle the financial independence of local governments and financial survival to achieve their responsibilities. Internally generated revenue in local government are faced with various challenge such as lack of financial autonomy, corruption, ineffective Bye-law, inefficient revenue collectors, political and inter-government intervention, lack of machineries and will for enforcement, ineffective budgeting and budgetary control, and lack of revenue court for adjudication on revenue disputes [2,4,13-15].

2.1.2 Outdoor signage and advertisement

Outdoor advertising is a rented out of doors medium to display or communicate commercial

information via visible structures or signs erected outside spacious environment. This is associated with large billboards owned and mounted by advertising organisation, government agencies, companies, informal sector operators, clubs and associations, religious bodies, political parties educational institutions, individuals, regulatory institutions, and others. This involves illuminated painted images projected and placed on buildings, walls, roofs, windows and barricades as a means of disseminating vital information to the general public. However, freestanding signs may be on poles, frames, and street structures such as electricity poles, or placed on buses, commercial vehicle, taxis, rails stations or airports.

2.1.3 Principles of taxation as it relates to outdoor signage, advertisement and hoarding licences/fees/charges/permits

Reliance on outdoor signage, advertisement and hoarding fees/charges/permits might be judged based on the principles of taxation likes:

1. Ability to raise revenue - objective of tax revenue is ability to generate enough fund to finance public expenditures. Adequacy of such revenues depends on revenue base and tax rate. This makes signage and advertisement charges a good source to enhance local government funds. However, the rate should be fair enough to pay because high tax rates might lead to taxpayers' avoidance or evasion behaviour.
2. Economic efficiency - at time, payment of tax affects individual economic choice. Therefore, tax should be simple to minimize taxpayers' choice or to discourage savings. However, where taxes will alter individual choices of what ought to have been made, such taxes are economically inefficient. Signage and advertisement revenue has economic efficiency in generation as it is a function of capability.
3. Equity - a good tax system should be fair to all taxpayers. This tax could be vertically, horizontally or geographically equitable. Vertical equitable means payment of more taxes by taxpayers with greater economic resources than those of lower income. Horizontally equitable means tax burden should be the same with taxpayers on the same economic resources. Geographically equitable

means arbitrary difference in tax burden due to location and economic viability of geographical areas of taxpayers. Signage and advertisement revenue will be charge based on equity principle in line with various branches of equity.

4. Administrative feasibility - a feasible tax should entails implementation that align with cultural, political, social, institutional, and technological consideration. Therefore a tax collection should be relatively simple, easy, and cost effectives in terms of its administration. Collection of Signage and advertisement revenue will administratively feasible, simple and easy to collect, and with cost effectiveness in collections.
5. Principle of certainty - tax should be designed in a manner where taxpayers can determine amount payable at any point in time. This entails transparency, probity and accountability in revenues. Signage and advertisement revenue are designed with rate applicable to each mode, sizes, and structures. Payers have the opportunity to know amount payable. Hence, the process of assessment is transparent and fair for compliance.
6. Principle of suitability- tax payment should be clear in terms of amount, location, and timing of payment. Hence, tax avoidance would be minimized as there will be no room of moving tax object from one local government to another as this has been centralised. Signage and advertisement revenue payment has been centralised for suitable and convenient payment. This reduced the problem of multiplicity of payment within the state.

2.1.4 Lagos State Signage and Advertisement Agency (LASAA)

LASAA was established by Lagos state structures for signage and advertisement agency law in 2006 to regulate and control outdoor advertising and signage displays within the metropolis of the state. The agency act as agent for local governments (principal) in the state for revenue generation on signage and advertisement and also, oversee the control and regulation of all forms of signage and advertisement display in the state. LASAA operations are carried out through the various departments and units for effectiveness and efficient performance. These departments and units are special duties and information technology; billing and debt recovery; planning and budget; legal;

finance and account; registry; business development and support; corporate affairs and personnel relationship; innovation and design; procurement; audit and internal control; administrative and human resources; monitoring, enforcement and compliance department. The agency have power to charge commercial levies/fees/charges which vary from area to area for mounting outdoor structures or erecting structures for signage and advertisement. This levies/fees/charges are paid by advertising media, government agencies, companies, informal sector operators, clubs and associations, religious bodies, educational institutions, individuals, regulatory institutions and others for benefit derived from advertisement. However, apart from revenue drive, the agency role also covered control of billboard erection and hording to minimise their nuisance to surrounding environment and road user. The agency approved different type of signage and advertisement billboard of different sizes, structure, shape and designs for outdoor advertisement. This approval is to guide and protect the citizens from physical damage during raining season or storm period and also for the billboard not to be used for displaying unpleasant words or messages which will have negative impact on human life, culture, religion and the immediate environment.

2.1.5 Local government

Local government is created to enhance the process of democratization, facilitate citizens' participation in decision making and make provision for goods and services at the local areas [2]. Similarly, local governments are created to enhance grassroots development and ensure citizens participation in governance. Creation of local governments are subjected to political, cultural and social structure of self-governance. According to Adekoya, Agbetunde and Akinrinola [4], local governments are created to facilitate democratic self-government, and also act as channel of communication between other tiers of governments. Abegunde [16] opined that administrative philosophy of local government involves citizens' leadership in local government administration and also to act as solution provider to the needs of the citizens at the grassroots through sound policies for better standard of living and local development. Similarly, Sikander [17] reported that local government as an institution involved citizens' participation in grassroots decision making, infrastructural development and democratic governance. The framework of local government

in Nigeria as third tier of government, has been entrenched in 1999 constitution and 2011 (as amended). Local governments in Nigeria over the years, has grown from 190 prior to 1976 reforms to 301 in 1976, 449 in 1989 and at present 774, as listed in the fourth schedule of 1999 constitution. Although, some states in the country had created many local council development area for administrative convenience, thereby, making governance closest to the people but these are yet to be enlisted in the Nigeria constitution.

2.2 Theoretical Review

The study anchored on the theories or principles of taxation of justice, fairness and equity, these are benefit theory and ability to pay theory.

2.2.1 Benefit theory

The theory stipulates that taxes or levies should be imposed on payers based on benefits received or goods and services enjoyed. This means that individual or firm with higher benefit of usage for goods or services would pay more. The theory was propounded by Swedish economists John Gustaf K. Wiksell (1851-1926) and Erik Lindahl (1891-1960). Benefit theory originated from taxation aspect of public finance theory. The theory viewed tax payment by payers on principle of willingness to pay taxes by individual or firm based on benefits received from the government. The theory is relevant to this study since signage and advertisement services are done based on individual or firm capability, therefore, assessment for fees or charges should be based on usage or benefit derived by users as determined by signage and advertisement sizes, time frame, coverage, and mode. The benefit theory of taxation for services stipulates that firm or individual should purchase government services in the same manner with other private commodities purchased for used. Likewise, in public sector, and for signage and advertisement services, fees or charges serve as prices, this is the replica for prices for goods and services as applicable in private sector. This brings about fairness, justice, equity, probity and transparency to signage and advertisement fees or charges payment.

2.2.2 Ability to pay theory

Ability to pay theory focus on individual or firm ability to pay more based on capability. This is one of the influential theories in public finance, it is an extension of the canon of tax justice and equity proposed by Adam Smith. It stipulates that

taxes should be imposed based on taxpayer ability to pay. This means individual or firm should pay tax or levy according to ability measure by wealth, income or usage. It also view tax payment as relative to tax capacity. The theory is derived from the principle of affordability to pay taxes based on the economic condition of firm or individual taxpayers. Batt [18], viewed ability to pay theory as taxpayer capability to pay government taxes based individual or firm income or service used. It is a form of tax payment measure on level of income or profit derived from economic activities or services enjoyed. The theory is based on fairness, justice and equity in taxation, this makes the rich payers to pay more to government than poorer individual or firm in the society. But, Kendrick [19], reported that ability to pay theory is good with honest mind. However, in government, funds required to provide for goods and services should be derived from those that have higher propensity to pay rather than as a burden on indigent individual or firm. Also, Zhou and Madhikani [20] viewed ability to pay theory as a function of taxpayer's income, wealth, services derived, and individual or firm capability to pay. In signage and advertisement revenue, affordability, ability and capability drives advertising and publicity and therefore, this translates to revenue generation for local government in forms of licences fees or charges.

2.3 Empirical Review

Ishola et al. [21] studied revealed that IGR is prerequisite for local government sustainability in Nigeria and recommends that local government IGR should be expended to funds its expenditures as federal allocation cannot be guarantee for sustainability. Also, Adeola [11] reported that paltry revenues collection in local government has been an impediment to provision of goods and services to citizens, and therefore, recommends increased efforts on IGR to avert funds shortage and public goods challenge. Similarly, Alhassan Francis and Ude [12] reported that actual IGR was less than budgeted estimates, this resulted into insufficient funds required to finance programees and projects. The study recommends strategies to enhance IGR, this will make enough funds available to finance the provision goods and services for citizens and grassroots development. In the same vein, Nwaigwe [22] viewed that bulk of IGR in local government is derived from one sources despite the various sources endowed with, however, it was

recommended that efforts should be made to harness other sources of revenue in order to drive more funds for local government. According to Abdulkarim and Adeiza [14], the main problem of IGR are ineffective tax administration and inefficient revenue collectors, however, the study recommends that IGR should be improved with effective public enlightenment and adequate training for revenue collectors. In addition, Agbe, Terzungwe and Igabee [5] reported that poor IGR has negative impact on infrastructural development of local government and therefore, recommends that appropriate strategies should be adopted to enhance local government revenue. Otu and Anam [13] also affirmed that local government in Nigeria have poor IGR capacity, and reported that this had led to problems of insufficient funds that hinders local government projects and programme financing. They recommends that local government should focused on how to improve the financial base of local government. On their own part, Allison, Nwali and Ereke [3] advised that adequate stakeholder collective efforts should be channeled to tap all revenues as approved by law. However, Eteng and Agbor [7] viewed that overbearing control of local government endowed revenue by state government will affects revenue generation capability of local government; therefore; they recommends revenue autonomy for local government, this means that state should hands off all local government revenue in their domain.

3. METHODOLOGY

The study employed exploratory research design. Secondary data in respect of Lagos State Signage and Advertisement Agency (LASAA) on revenue generated for Local governments in the state was extracted from Auditor's General Reports for 2015-2021. Statistical method of data analysis was adopted, this involved the use of trend analysis, graph, bar chart, and tabulation, and economic techniques of Ordinary Least Square (OLS) of multiple regression analysis for the aggregate model. F-statistics was used to assess the combined effect of the explanatory variable on the criterion at 5% level of significance. A purposeful sample technique was employed to select the study state, Lagos State. This was based on the following criteria's:

1. The first state to enact Signage and Advertisement Act in 2006.
2. It is the most populous state in Nigeria with over 20million population in 2020 [23]

3. It is the commercial capital of Nigeria with at least 70% of the country's industrial and commercial activities.
4. In terms of Internally Generated Revenue (IGR), the state generated the highest revenue in the country for the past ten years [24].

3.1 Model Specification

The model of the study shows the functional and conceptual relationship between the dependent variable and independent variable. The study expects that the independent variable signage and advertisement revenue will have effect on total internally generated revenue of local government. Therefore it is expected that signage and advertisement revenue would enhance total internally generated revenue of local government. The dependent variable, total internally generated revenue is measured with Total Internally Generated Revenue in local governments while independent variables signage and advertisement revenue is measured with LASAA revenue. The mathematical expression of the regression model is given as:

$Y = f(X)$. Y= Total Internally Generated Revenue, X= Signage and advertisement revenue measure with (LASAA)

$TIGR_t = \beta_0 + \beta_1(LASAA)_t + \mu_t$ Aggregate Model

Where:

TIGR = Total internally generated revenue
 LASAA = Lagos State Signage and Advertisement Agency revenue
 μ = Error term, β_0 = Intercept or the constant
 β_1 = Partial regression coefficient of the explanatory variables.

3.2 A Priori Expectation

β_1 is expected to be greater than zero and positively signed.

4. DATA ANALYSIS AND DISCUSSION OF FINDINGS

Data analysed and interpreted using descriptive and inferential statistics. The hypothesis was tested using inferential statistic of multiple regression analysis and Analysis of Variance (ANOVA).

Table 1 shows descriptive statistics of LASAA revenue generated for local governments in Lagos State for the period 2015-2021. The mean

value which is the average value of the series and median were 19.56749 and 19.50712, respectively. Minimum and maximum values provides significant variation between two values for the proxy under consideration over the study period. These values were 18.21093 and 21.26871, respectively. But there seems to be huge difference between the minimum and maximum value. The standard deviation which is a measure of dispersion from mean was 0.595486. Total revenues generated for local governments were positively skewed at 0.347436, this implied that distribution was positively skewed to the right tail extreme. Also, the kurtosis was 3.154218, since the value is greater than 3, the distribution was leptokurtic. The probability Jarque-Bera of the distribution was 2.955344, this shows a goodness of fit. All these statistical value indicate normality as they are greater than 0.05 at 5% level of significance with probability of 0.228168.

Fig. 1, 2 and Table 2 are the graphical relationship, bar chart of percentage of contribution and absolute individual percentage of relationship between signage and advertisement fees/charges (LASAA) revenue and total Internally Generated Revenue (IGR) of local governments. Figs. 1 & 2, and Table 2 shows good relationship between LASAA revenue and total IGR. LASAA revenues have average contribution percentage of 25.73% to total IGR of local governments. The highest percentage of contribution of LASAA to total internally generated revenue in local governments was 59.31% from Ibeju-Lekki, while the least was 12.87% from Lagos Island. In all the local governments, signage and advertisement revenue contributed more than 10% of the total IGR, this means signage and advertisement fees/charges is a good source of revenue to be considered for the enhancement of local government funds. Local governments that were highly favoured from LASAA revenues are Ibeju-Lekki (59.31%), Ikeja (37.07%), Mushin (31.71%), Apapa (30.33%), Eti-Osa (26.92%), and Surulere (26.88%), while the least with percentage less than 20% were Lagos Island (12.87%), Kosofe (16.94%), Ajeromi-Ifelodun (16.96%), Oshodi-Isolo (18.13%) and Ikorodu (19.80%).

4.1 Test of Hypothesis

H_0 : Signage and advertisement revenue does not have significant effect on total internally generated revenue of local government.

Table 1. Descriptive statistics of LASAA (LTR) for local governments

Mean	19.56749	Std. Deviation	0.595486
Median	19.50712	Skewness	0.347436
Maximum	21.26871	Kurtosis	3.154218
Minimum	18.21093	Jarque-Bera	2.955344
Observations	140	Probability	0.228168

Source: Authors' Computation from Lagos State LASAA data (2023)

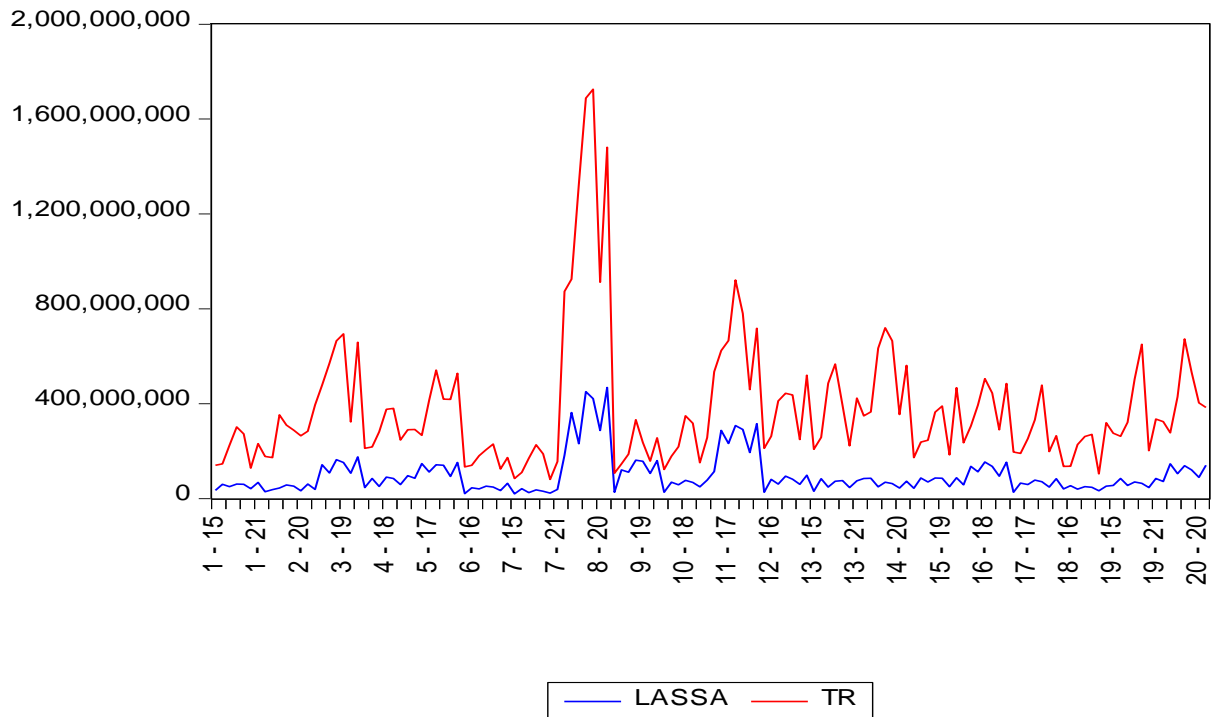


Fig. 1. Graphical Illustration showing the relationship between total IGR and LASSA revenue for each local government

Table 2. Percentage contribution of LASSA revenue to total IGR of each LG between 2015 and 2021

LG	%	LG	%	LG	%	LG	%
Agege	26.03	Badagry	25.71	Ikeja	37.07	Mushin	31.71
Ajeromi-Ifelodun	16.96	Epe	21.08	Ikorodu	19.80	Ojo	22.57
Alimosho	23.43	Eti-Osa	26.92	Kosofe	16.94	Shomolu	21.76
Amuwo-Odofin	25.61	Ibeju-Lekki	59.31	Lagos Island	12.87	Oshodi-Isolo	18.13
Apapa	30.33	Ifako-Ijaiye	26.78	Lagos Mainland	24.75	Surulere	26.88

Table 3. Results of regression analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.02E+08	19441924	5.263147	0.0000
LASSA	2.842591	0.152587	18.62926	0.0000
R-squared	0.715493			
Adjusted R-squared	0.713431			
F-statistic	347.0494			
Prob. (F-statistic)	0.000000			

Dependent Variable: TIGR, *significance at 5%

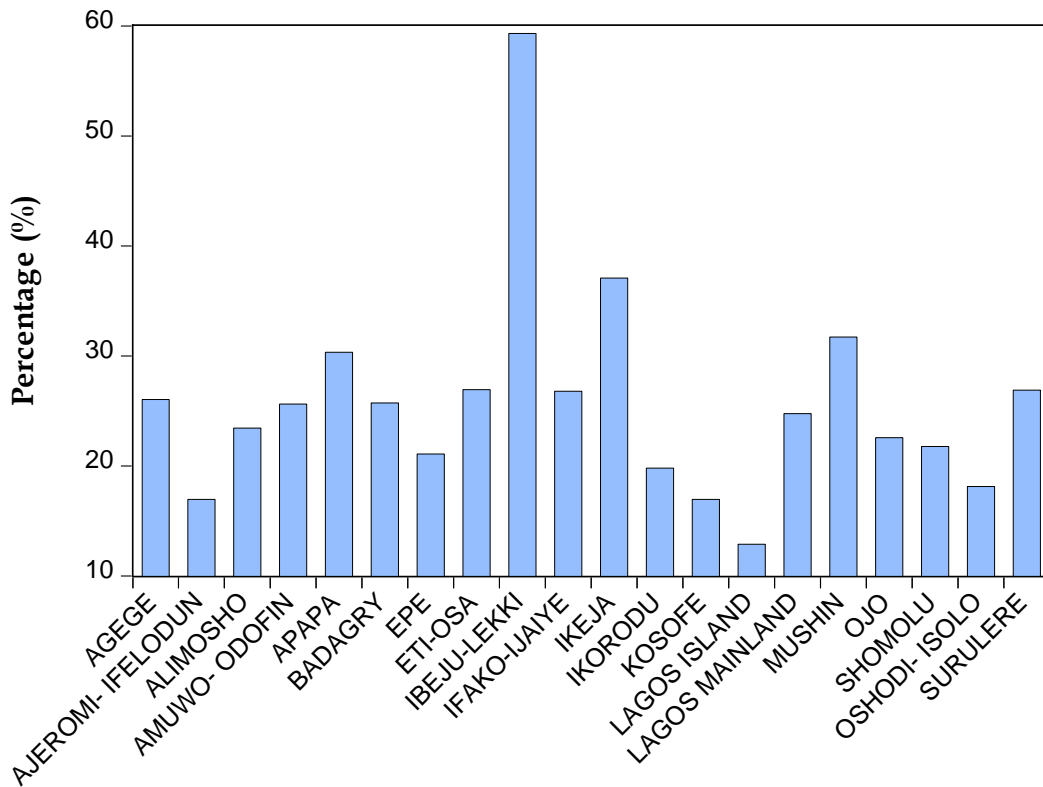


Fig. 2. Bar Chart of percentage contribution of LASAA to total IGR of local governments 2015-2021

4.2 Interpretation of Results

Table 3 shows the results of regression analysis on the effect of signage and advertisement revenue (LASAA) on total internally generated revenue of local governments in Lagos state, Nigeria. The results showed that signage and advertisement (LASAA) revenue (2.842591), has positive relationships with total internally revenue of local governments in Lagos state, Nigeria. The study revealed that signage and advertisement revenue positively has effect on total internally generated revenue of local government in Lagos state, Nigeria ($Adj R^2 = 0.713431$, $F (1,7) = 347.0494$; $P=0.0000$). There was evidence that LASAA has significant relationships with total internally generated revenue of local governments in Lagos state, Nigeria (LASAA = 2.842591, t -test= 18.62926, $p = 0.0000$). This implies that signage and advertisement revenue has a significant effect on the total internally generated revenue of each local government in Lagos state, Nigeria.

The Adjusted R^2 measures the proportion of the changes in total internally generated revenue as a result of changes in signage and advertisement

revenue. The Adjusted R^2 of 0.713431 explained about 71.34 percent changes in total internally generated revenue of local governments, in Lagos state, Nigeria while the remaining 28.66 percent represent other factors that explained changes in total internally generated revenue of local government in Lagos state, Nigeria which were not captured in the model. The F- statistic of 347.0494 is statistically significant with $p=0.0000$. This indicates that the variables used in the model have a goodness of fit which was a good predictor of the main variables and that signage and advertisement revenue explains changes in total internally generated revenue of local government in Lagos state, Nigeria. The F- statistic of 347.0494 is statistically significant with $p = 0.0000$. This indicates that on the overall, the statistical significance of the model showed that the null hypothesis that signage and advertisement revenue does not have significant effect on total internally generated revenue of local government was rejected. Thus, the alternative hypothesis that signage and advertisement revenue have significant effect on total internally generated revenue of local government was accepted at 5 percent level of significance [25,26].

4.3 Discussion and Implication of Findings

Empirical findings from the test of hypothesis on signage and advertisement revenue and total internally generated revenue of local governments in Lagos state, Nigeria revealed that signage and advertisement revenue has positive relationships with total internally generated revenue of local government in Lagos state, Nigeria. The coefficient is positive (2.842591) which shows that LASAA revenue has a positive impact on total internally generated revenue of local government in Lagos state, Nigeria. The F-statistic of 347.0494 is statistically significant at $p=0.000$ therefore, the study revealed that signage and advertisement revenue has a significant effect on total internally generated revenue in local government at 5 percent level of significance. In the aggregate model, our findings shows that there is a direct relationship between signage and advertisement revenue and total internally generated revenue in local government. This implies that signage and advertisement revenue contributes maximally to total internally generated revenue of local government and therefore, should be seen as a good option for driving total funds for local government. This means that more funds would be available to finance the provision of goods and services for the benefit of the citizens and infrastructural development of the local areas in general.

5. SUMMARY, CONCLUSION AND RECOMMENDATION OF FINDINGS

Conclusion are drawn with appropriate recommendations to enhance the frontiers of knowledge on local government revenue policy, internally generated revenue drives, and funds management.

5.1 Conclusion

This study examined signage and advertisement revenue and total internally generated revenue in local government for the period of seven years (2015-2021). The study revealed that signage and advertisement revenue has positive relationships with total internally generated revenue in local governments. The finding also revealed that signage and advertisement revenue has significant relationships with total internally generated revenue in local government. Furthermore, signage and

advertisement revenue was a significant factors that effect changes in total internally generated revenue in local government. The study also revealed the degree or percentage by which independent variable effects dependent variable, and provides information of the level to which the variations in the dependent variable are caused by the independent variable as reported in the model and explained by the coefficient of determination (R^2).The empirical outcome as reported above showed that signage and advertisement revenue has significant effect on total internally generated revenue in local government and therefore a good option for consideration.

5.2 Recommendations

1. The mechanism for enhancing IGR through signage and advertisement revenue should be entrenched in local government.
2. To solve paltry funds in local government, government should adopts the strategy of focusing on other untapped revenue such as signage and advertisement revenue.
3. The use of automation for signage revenues generation is critical to block leakages. This drives huge sum of money and bring efficiency to signage and advertisement revenue.
4. Continuous training for capacity building should be tailored for signage and advertisement revenue officers to enhance their efficiency on revenue generation performance.
5. Local government should ensure that internally generated revenue are invested on the provision of public goods and services, this would enhanced citizens' trust and voluntary rate compliance.
6. Adequate publicity and enlightenment for signage and advertisement revenue generation should be channeled towards users and payers likes' media agent, companies, informal sectors operators, individuals, religious bodies, clubs and associations.
7. Rule of law should strictly be adhered to on revenue matters, appropriate punishment for defaulters, revenue evader and avoider should be adopted where necessary.
8. Lastly, the Nigerian government should put in place more policies which will make IGR a priority for stimulating local government growth and development.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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