INTERNATIONAL JOUNAL OF: FINANCIAL RES. AND MANAGEMENT SCIENCE

TIMBOU-AFRICA ACADEMIC PUBLICATIONS
INTERNATIONAL JOURNAL, NOVEMBER, 2022 EDITIONS
VOL. 11 NO. 7 ISSN: 2773-1040

IMPACT OF COMPLIANCE WITH FEDERATION ACCOUNT ALLOCATION COMMITTEE GUIDLINES ON THE FINANCIAL REPORTING

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ABSTRACT

The study examines the assessment of the impact of compliance with federation account allocation committee guidelines on the financial reporting. The objective of the study is to examine the impact of federation account allocation to Bauchi state government, the impact of compliance with allocation share from the federation account on growth and development of Bauchi state, evaluate the implementation of federal location account to the twenty local government councils of Bauchi state. Survey research design was the design used for the study. The study adopts

Introduction

Nigeria can be described as a mono-economy, especially, in terms of the federally collected revenue. For instance, oil revenue constituted 83 per cent of federally collected revenue in 2008. Each of the different levels of government depends largely on its share of the federally collected revenue to carry out its functions apart from Lagos State and Rivers state which have maintained high internally generated fund over the past few years.

The Decree No. 49 of 1989 established the Revenue Mobilization Allocation and Fiscal Commission (RMAFC) to oversee revenue sharing and mobilization. RMAFC established in 1989 are constitutionally charged with the responsibility of ensuring that this disbursement exercise is accurate, fair and transparent. The constitution provides that all federal revenues must go into the Consolidated Revenue Account (CRF) and this is the standard practice in most federations (Ohiomu and Oluyemi, 2017).

Thus, most of the other states depend mainly on their shares of federal allocation to carry out their functions. The revenue allocation now in use to provide in the constitution of federal republic of Nigeria 2016 as amended. Federal 52.68, state 26.78 and local government 20.60.

Revenues that flow into the federation account can be classified into oil and non-oil revenue. Under the oil revenue, we have: Oil pipeline license fees; royalty on extraction of oil; rent of oil well and grounds; sale of petroleum and gas; penalty for gas flaring. The non-oil revenue includes: PIT; companies income tax; capital gains tax (CGT); withholding tax (WHT) and all for forms of indirect taxes (ATSWA, 2009). From the oil revenue, derivation allowance is given to the Niger Delta States as a way of compensating them for the environmental

stratified simple random sample as the sampling techniques. The population of the study was 74 staff randomly selected from the targeted population. The findings of the study show that there are impacts of federation account allocation in bauchi state government, the federal government and state government allocation shares from the federal allocation have impact on growth, there is growth evidence of Bauchi state government internally generated revenue, the federation account allocation have no impact on economic growth of Bauchi state base on the findings the study recommended that the government should adopt a new strategy that will ensure equity, and fair play in the distribution of national resources among the three tiers of government in Nigeria, the creation of effective and resourceful rules in regards of federation account allocation.

Keywords: Government, Allocation, Revenue.

degradation and pollution suffered as a result of oil exploration in their area. This derivation allowance also applies to all States with solid minerals that generate income to the Federal Government (Adangor, 2015).

Account allocation has been referred to as the criteria, process and method of sharing a federation's financial resources among the various tiers of government in the federation in such a peaceful way that guarantees development, progress and enhances unity National Revenue Mobilisation Allocation and Fiscal Commission (NRMAFC, 1992). Onu (2019) defined account allocation as the mechanism for the sharing of the country's financial resources among the different tiers of government in the federation, with the overall objective of enhancing economic growth and development, minimizing inter-governmental friction and promoting national unity. According to Ikeji (2011), account allocation has been described as a method(s) of sharing the centrally generated revenue among the different tiers of government and how the amount allocated to a particular tier is shared among its components. From the various definitions, it is pertinent to establish that revenue allocation is the distribution of a country's revenue among the various levels of government in such a manner that guarantees economic development. The definitions of National Revenue Mobilization Allocation and Fiscal Commission (NRMAFC, 1992). and Onu (2019) have better described the focus of this study, which seeks to evaluate the impact of federation account allocation and internally generated revenue on economic development in Nigeria. It is important to note that revenue allocation to the three tiers of the government is major for the economic development, which is also known as fiscal federalism (Ekpo, 2004). Economic growth theories maintain that revenue allocation is meant to enhance economic development (Domar, 1946; Harrod, 1939; Romar, 1994; Solow, 1956; Swan, 1956). Therefore, the account allocated to the Nigerian federating units is to carry out their various constitutional expenditure responsibilities that enhance economic development in the country (Dagwom, 2013). However, this major aim of account allocation has not been achieved over the years. For several decades now, sustainable economic development has eluded the country due to mismanagement of revenue intended to be used to develop the country. The account allocated to the three tiers of the government for all these years have ended up in private pockets, thereby leaving the country underdeveloped. From 1981 to 2016 the study examined, account allocations to the federal government, state government, local government have been accounted to be N72,120.01B, N20,270.72B, N10,357.03B, N12,415.84B respectively (CBN Statistical Bulletin, 2016). These figures are not commensurate with the poor level of economic development witnessed in the country. The ugly situation has led to arms carrying and destruction of oil pipelines by the youths in the Bauchi state region of the country. There is lack of infrastructures and roads to boost business activities in all parts of the country, yet so much money is allocated to the three tiers of the government on a monthly basis both for recurrent and capital expenditure.

STATEMENT OF RESEARCH PROBLEM

Embezzlement of funds became the order of the day in conjunction with carrying out capital intensive projects that do not benefit the common citizens in some states in the country (Nuruddeen, 2014). Allocations received for proper economic growth in all parts of the country are used by some states for party patronage and settlements. This is a recurring decimal that has kept the country far from growth in all ramifications.

Recently, there have been agitations to amend the allocation to favor the states given the argument that the state are the level of government closer to than the federal government, and therefore, will be more responsive to the particular preference of their constituencies as they easily find new and better ways to provide these services (Sharma, 2017 as cited in Arowolo, 2018). Thus, it becomes necessary to examine if the impact of the compliance of federation allocation account have contributed to Bauchi State government.

OBJECTIVES OF THE STUDY

i. Examine the impact of federation account allocation to Bauchi state government
ii. Examine the impacts of compliance with allocation share from the federation account on growth and development of Bauchi state.
iii. Evaluate the implementation of federal allocation account to the 20 local government councils of Bauchi state.

LITERATURE REVIEW

INTRODUCTION

Federation account is a special account into which shall be paid all revenue collected by the government of the Federation, except the proceeds from the PAYE of Armed Forces Personnel, Police Personnel, Foreign Services Officers, Residents of the FCT Abuja and other Federal Government Independent Revenue (FGIR) which include: Licenses and internal revenue, mining, fees, earnings and sales, rent of government properties, interest and repayment (general and states), reimbursement of Audit fees, revenue from sales of Armed Forces Property, miscellaneous (Federal Republic of Nigeria (FRN) Constitution, 1999). Federation account is referred to as a distributable pool account because the fund therein is being shared among the federal, state and local government in the manner and bases prescribed by the law.

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CONSOLIDATED REVENUE FUND (CRF) ACCOUNT

Consolidated revenue fund account was established by the Constitution of the Federal Republic of Nigeria, 1999; The Finance Control and Management Act of 1958; and the Audit Ordinance Act of 1956. Consolidated revenue fund is the amount standing to the credit of the Federal Government and is represented by cash assets (PYE, 1998). The funds paid into this account are classified under Head 6-17. They include: Share of Federation Account allocation to federal government, direct taxes (PAYE of Armed forces, police force, foreign services officers, FCT residents) and other FGIRs (Adams, 2006; PYE, 1998).

The charges from CRF account include: All approved recurrent expenditure heads, salaries and consolidated allowance of statutory officers e.g., Chief justice and justices of the supreme court, auditor-general for the federation, president and justices of the federal court of Appeal, chief judge and judges of the federal high court. The chairman and commissioners of police service commission, public complaint commission, public service commission, Nigerian Law reform commission and independent national electoral commission. The pension and gratuities of military personnel, widow and orphan pension scheme etc. (Adams, 2006; PYE, 1998).

DEVELOPMENT FUND

Development Fund was also established by the Constitution of the Federal Republic of Nigeria 1999, the Finance (Control and Management) Act of 1958 and the Audit Ordinance Act of 1956 for purpose of capital development projects. Development fund is another type of fund being operated by the Federal Government. The sources of revenue into the Development Fund include: Contribution from the CRF, external grants, external loans, internal loans. The charges from Development Fund include: Capital projects, general administrative cost, donations and grants to neighbouring countries, then loans to states.

CONTINGENCY FUND

The Contingency Fund was also established by the Constitution of the Federal Republic of Nigeria 1999, the Finance (Control and Management) Act of 1958 and the Audit Ordinance Act of 1956 to take care of all forms of natural disasters. Nigeria experiences two forms of natural disasters which are ocean surge in the south and desert encroachment in the north. The transfer from the CRF is the only source of revenue that flow into the contingency fund.

REVENUE ALLOCATION

According to National Revenue Mobilization, Allocation and Fiscal Commission (NRMAFC, 1992), revenue allocation has been referred to as the criteria, process and method of sharing a federation's financial resources among the various tiers of government in the federation in such a peaceful way that guarantees development, progress and enhances unity. Onu (1994) defined revenue allocation as the mechanism for the sharing of the country's financial resources among the different tiers of government in the federation, with the overall objective of enhancing economic growth and development, minimizing inter-governmental friction and promoting national unity. According to Ikeji (2011), revenue allocation has been described as a method(s) of sharing the centrally generated revenue among the different tiers of government and how the

amount allocated to a particular tier is shared among its components. From the various definitions, revenue allocation can be referred to as the distribution of the country's revenue among the various levels of government in such a manner that guarantees economic development.
There are two major types of revenue allocation formula in Nigeria. The two are basically, the vertical allocation and horizontal allocation (Micaiah, 2015).

DEMOCRACY CONCEPT

The notion of democracy, in its wholesome and practical arrangements, implies majority consensus. However, it does not guarantee some individuals the privilege of carrying out certain activities in contrast with established laws and statutes of a nation or against the Government which will undermine the intention of the majority. It is submitted that individuals enjoy no rights that trump the will of the majority (Law Teacher, 2018). The motive behind this claim depends on the origin of the rights and privileges of the people involved. Despite the above submission, the concept of democracy advocates strong participation of people in choice of leaders and service delivery.

VERTICAL ALLOCATION FORMULA (VAF)

Vertical allocation refers to the sharing of the federation's revenue among the three tiers of government that make up the federation. Through vertical allocation method, the allocation that goes to the federal, state and local government is determined. VAF shows the percentage allocation to the three tiers of government.

REVENUE ALLOCATION PRINCIPLES

The following principles have been identified by (Nnamocha, 2002; Ihe and Umeaka, 2006).

- Tax effort. By giving more allocations to States that make more effort to collect taxes due to them, this principle is thus, used to motivate states to exploit their tax potential and capacities.
- Population. This principle allows allocation of more resources to States/LGAs that are heavily populated than others. The argument here is that, states with high population will also be enriched with human and natural resources and so deserves less allocation (Odigwe and Aibieyi, 2015).
- Even development. To ensure even development and uniform progress, poorer states are given more revenue. This helps to spread economic growth and development. The principle also helps to reduce inequalities and imbalances.
- Derivation. This principle states that regions/states that produce higher revenue to the federal government should receive a commensurate allocation. That is, the allocation of resources to them should be higher too. It was first recommended by the various revenue allocation commissions set up in the past. Orluwene (2008) has also suggested that revenue sharing should be principally based on derivation. This basis will prompt all states to go back to their roots. That is, agricultural and cash crops growing for export. Then the dependence on oil revenue will be curtailed.
- National interest. Allocation should be based on things that are of high social importance such as education and security which unite the country.

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ISSN: 2773-1040

• Equality of states. The principle advocates sharing of revenue equally among states despite the economic endowments in each state of the federation. This is because each state is expected and required to carry out certain level of responsibilities.
• Principle of need. The level of need of every state should determine the revenue allocation to the state. This is supported by the recommendation of Hicks-Phillipson Commission of 1951 and Raisman Commission of 1957. For instance, some newly created states, require more funds than the existing ones. This has been argued by Odigwe and Aibieyi (2015). Their reason is that no particular state has the most crucial need and so the principle of need is not beneficial if it is not based on population census.
• Equality of access to development opportunities. This principle believes that allocation of revenue should be more This will enable them have equal access to development and growth.
• Independent revenue effort. This principle stresses on more allocation to states that are able to collect revenues due to them.
• Continuity of government action. Subsequent revenue allocation is not expected to fall below the previous allocation. This is why revenue should be shared in such a manner that the central government will not have the problem of given less than the previous allocation.
• Absorptive capacity. Revenue allocation is based on the ability of the states to make proper use of the revenue allocated to them. States that are economically advanced will not find it difficult to properly absorb any increase in revenue without wastages or fraud.
• Land Area. The proportion of land occupied by the states also determines the revenue allocation. This principle does not make any economic impact especially areas that have Sahara deserts that nobody lives. Most States like Lagos and Rivers State are heavily populated and should not be assessed by this principle but rather the population due to migration of people from the rural area to the urban cities in search of jobs.
• Principle of school enrolment. The principle suggests that the number of pupils in school in the State/LGA should be considered in resource allocation. This principle also has some issues, although education is a vital part of economic development. However, there are places where people refuse to be enrolled in schools but prefer commercial trading, animal rearing and other forms of craft. In that case, school enrolment basis will not be fair to them.
• Pupil of school age not in school. This principle stipulates that higher allocation should be given to States with more pupil of school age that are not in school to enable such State/LGA send them to school.
• National minimum standard. Revenue allocation should be done with the primary aim of maintaining national minimum standard in all the States in the federation of Nigeria. This principle is in line with the recommendation of Dina Commission of 1969. States that do not have certain level of ducation and perhaps health services are to be allocated more revenue to meet up with the national minimum standard.

ACCOUNT ALLOCATION IN NIGERIA

Account Revenues that flow into the federation account can be classified into oil and nonoil Account revenue. Under the oil revenue, we have: oil pipeline license fees; royalty on extraction of oil; rent of oil well and grounds; sale of petroleum and gas; penalty for gas flaring. The non-oil revenue includes: personal income tax; companies income tax; capital gains tax; withholding tax and all four forms of indirect taxes *Accounting Technicians Scheme West Africa* (ATSWA, 2009). The statutory revenue allocation formula is the recognized and acceptable yardstick by which all account accruing to the federation account is to be distributed among the federal, state and local government councils and any other beneficiary as may be specified by law. This varies from time to time based on the terms and procedures as may be prescribed by law (ATSWA, 2009). There are two major types account ac allocation formulas in Nigeria. The two are basic, the vertical allocation and horizontal allocation (Micaiah, 2015).

1. Vertical allocation formula (VAF). Vertical allocation refers to the sharing of the federation's revenue among the three tiers of government that make up the federation. Through vertical allocation method, the allocation that goes to the federal, state and local government is determined. VAF shows the percentage allocation to the three tiers of government. This formula is applied vertically to the total volume of disbursable revenue in the Federation account at a particular point in time.
2. Horizontal allocation formula (HAF). Horizontal allocation provides a platform for sharing account revenue among states and how the states distribute the revenue among the various local governments, communities and towns within the states. The formula is applicable to states and local governments only (Micaiah, 2015). According to Bashir (2008), it is possible to conclude that horizontal allocation formula is for intra-tier sharing amongst the 36 states and the 774 local governments in Nigeria.

REVENUE ALLOCATION COMMISSIONS/COMMITTEES IN NIGERIA

There are recommendations and efforts from various revenue allocation commissions/committees established in Nigeria in the past and present to harmonize allocation issues yet the fight for resource control is still not resolved. Among them are recommendations from Phillipson Commission of 1946; Hicks-Phillipson Commission of 1951; Chicks commission of 1953; Raisman Commission of 1957; The Binns Commission of 1964; Dina Commission of 1969; Aboyade Technical Committee of 1977; Okigbo Committee of 1980; Danjuma Commission of 1988; RMAFC of 1989. The establishment of RMAFC was the way the federal government tried to resolve all revenue allocation issues. RMAFC is empowered by the Constitution to disburse revenue from the federation account, review the allocation formula as need arises, act on advisory capacity to the federal, state and local governments on how to generate and efficiently utilize revenue, determine suitable remuneration for political office holders and also perform other functions that may be required by law from the commission (Arowolo, 2011).

FEDERATION ACCOUNT

The Federation Account serves as the central pocket through which our Governments Federal, State, and Local Government fund developmental projects as well as maintain their respective workforce. Federalism is a purposive system of government that always has an end to attain. In a country like Nigeria or any other country where there is multiplicity of ethnic and tribal groups a unitary system of government is usually a source of bitterness and hostility on part of the national minority groups. Thus: the significance of having federation account lies not only in the

Constitutional or institutional structure but in the society itself because account allocation serves as a device through which the federal qualities of the society are articulated and protected. Federal account regulations require that similar costs be treated consistently as either direct costs or indirect costs, in like circumstances (Otinche, 2014).

ALLOCATION GUIDELINE

A guideline is a statement by which to determine a course of action. A guideline aims to streamline particular processes according to a set routine or sound practice. Guidelines may be issued by and used by any organization (governmental or private) to make the actions of its employees or divisions more predictable, and presumably of higher quality. Allocation Guidelines are subject to verification through internal reviews and external (State and Federal) audits. The guidelines discussed in this document provide a relative measure of the audit risk associated with different allocation methods. Individuals in academic departments are responsible for demonstrating the cost-benefit relationship of any item of cost charged to a Sponsored account. Familiarity with the concepts contained in this document is one method to reduce the risk of audit disallowance and to enhance compliance with the federal regulations (Otinche, 2014).

EMPIRICAL REVIEW

There is no universally accepted definition for Federation allocation. indices of economic development are, however, clear-cut and measurable. Economic Development Agencies {United Nations Development Program (UNDP), World Bank} have always used such indices as literacy rates, life expectancy, poverty rates. etc as benchmark for determining economic development. To parade enviable indices, a country must be prepared to fund heavily in human resources, health, road network, security, agriculture, freedom index, education, etc.

Unegbu and lrefin, (201 l) opines {hat Economic development typically involves improvements in a variety of indicators such as literacy rates. life expectancy. and poverty rates.

Adejoh and Sule (2013) quoting Ake (2001) also define Development as the process by which people create and recreate themselves and their life circumstances to realize higher levels of civilization in accordance with their own choice and values. It also a type of social change in which new ideas are introduces in lo a social in order to produce higher per-capital in come and levels of living through more modern production method sand improved social organization. Omoigui-Okauru (20l2) cited in Oseni (20l 3) asserted that states are often considered poor in the areas of internally generated revenue because most of them do not have a comprehensive data on who should pay tax or the key economic activities that can generate tax income, stressing this has always affected the revenue How from internally generated sources.

Naiyeju (2011) mentioned in Oseni (2013) is of the opinion that states and local governments have Continued to demonstrate total lack of interest in improving their lots towards improved revenue generation by preferring to use consultants to administer taxes, rather than modernizing their tax systems for enhanced revenue yield, and less dependency on allocation from the Federation Account.

Ojo and Owojori (I998) attributed the causes of poor internally generated revenue to lack of adequate resources such as vehicles and personnel for Mobilizing IGR at local government levels, the potential sources of IGR at each local government not being adequately tapped and the potential payers of taxes, rates and charges not willing to pay due to biases and other personal reasons.

Oseni (2013) opines that the absence of good and vibrant informal sector coupled with few industries will cause internal revenue to be low.

Those working in the informal sector of Nigerian economy do not see the need to pay tax whereas they dominate the economy (Abiola and Asiweh, 2012).

Ahunwan (2009) cited in Ablola and Asiweh (2012) observed that the Nigerian tax system has been flawed by what is termed multiplicity of tax and collecting entities at the three tiers of government levels Federal, State and Local government.

Faridi (2011) carried out a study on the contribution of fiscal decentralization to economic growth in Pakistan. The study covered the period of 1972 to 2009 and the ordinary least squares estimation was employed for the analysis. At the time of the study, other factors to measure economic growth in Pakistan were not substantial except fiscal decentralization indicators of revenue and expenditure functions. The dependent variable was the Gross Domestic Product while the independent variables used were the revenues and expenditures of the government. All variables were expressed in million rupees. The data sources include Pakistan Economic Survey (various issues), hand book of statistics on Pakistan economy (2005) and fifty years of Pakistan Statistics. The result of the study indicated that both revenue and expenditures of government as measure of fiscal decentralization had positive association with the economic growth. The paper also found a positive and significant impact of fiscal decentralization on economic growth. Based on the empirical result, the study suggested that provincial and local level governments should be given more autonomy and authority in fiscal matters in Pakistan.

Usman (2011) researched on revenue allocation formula and its impact on economic growth process in Nigeria. He focused on the effect of revenue allocation formula adopted on economic growth and development in Nigeria for the period spanning from 1960-2010. The dependent variable used is the real gross domestic population growth rate while the independent variables are the growth rate of share of federal, state, local governments and inflation rate. The statistical tools employed were ordinary least squares method and correlation coefficient to estimate its properties and measure the goodness of fit of the regression line. However, the result showed that the share of local and federal governments from the federation account contributed to the economic growth process in Nigeria, while the share of state governments from the federation account did not perform as expected.

Dagwom (2013) investigated revenue allocation and economic development in Nigeria: an empirical study. The study specifically examined the impact of revenue allocation to the three tiers of government on the real gross domestic product in Nigeria using time series data covering the period of 1993 to 2012. The dependent variable used for the study was the Real GDP, while the independent variables include revenue allocation from the federation account to the Federal Government, State Government and Local Government Councils. Stationarity test of the variables was conducted using Augmented Dickey Fuller unit root test while Johansen Cointegration test was used to test long run relationship. The regression result revealed

Summary

According to the Nigerian constitution, the two major functions of government are: provision of security and welfare to the citizenries. In terms of welfare, the government provides public goods such as roads, education health, power, and so on. According to Nurudeen and Usmm (2010) most scholars believe at increase in government expenditure on socio-economic and physical infrastructures encourages economic growth (Abdullah, 2000; Al-Yousif, 2000; Ranjan and Shanna, 2008; and Comfy, 2009). For instance, a study to investigate the relationship between government expenditure and GDP per capita growth in developing countries in Nigeria using panel regression suggests that positive relationship exists between government expenditure and GDP per her growth (Hakro, 2009). Guerrero and Parker (2007) studied whether there is statistical evidence for a causal relationship between federal government and state government allocation. The impact of Statutory Allocation in compliance with State government can be examined within the theoretical frameworks of public goods and fiscal federalism. Agu (2010) opined that discussions about internally generated revenue of sub national government are located within the framework of the theory and practice of fiscal federalism. There is no universally accepted definition for Federation allocation. Indices of economic development are, however, clear-cut and measurable. Economic Development Agencies {United Nations Development Program (UNDP), World Bank} have always used such indices us literacy rates, life expectancy, poverty rates, etc as benchmark for determining economic development. To parade enviable indices, a country must be prepared to fund heavily in human resources, health, road network, security, agriculture, freedom index, education, etc.

RESEARCH METHODOLOGY

INTRODUCTION

Research design is the specification of procedures for collecting and analyzing the data necessary to help solve the problem. The researcher intends to make an in-depth research into the influencing factors and perceptions of accounting undergraduate students on academic performance. The survey research design will adopt for the purpose of this study.

The Population is the totality of items under consideration; it is a collection of all elements under study. The population of the study consist the 74 staff of federal ministry of finance Bauchi.

Primary source of data collection for the research work shall be through the use of questionnaires, which is administered based on the aim and objective of the study. A well designed questionnaire was used. Pre-tested questionnaire will be administered to collect primary source of data collection are data gathered from the outside source.

A carefully drafted but wide-ranging questionnaire aimed at eliciting right responses adopted constructed and piloted

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

federation account allocation impact on revenue generation on Bauchi state

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	22	40.7	40.7	40.7
	A	32	59.3	59.3	100.0
	Total	54	100.0	100.0	

Source: Field Survey: 2022.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	28	51.9	51.9	51.9
	A	26	48.1	48.1	100.0
	Total	54	100.0	100.0	

Source: Field Survey: 2022.

Federation allocation account is effectively implemented on the 20 local government

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	21	38.9	38.9	38.9
	A	22	40.7	40.7	79.6
	UND	11	20.4	20.4	100.0
	Total	54	100.0	100.0	

Source: Field Survey: 2022.

21 representing 38.9% of the respondent strongly agreed that Bauchi state government comply with federation account policy, 22 representing 40.7% of the respondent agreed while 11 representing 20.4% of the respondent could not decide.

Federation account allocation lead to effective management on Bauchi state.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	21	38.9	38.9	38.9
	A	22	40.7	40.7	79.6
	UND	11	20.4	20.4	100.0
	Total	54	100.0	100.0	

Source: Field Survey: 2022.

38.9% of the respondent strongly agreed that Federation account allocation lead to effective management on Bauchi state, 22 resenting 40.7% of the respondent agreed while 11 reprinting 20.4% of the respondent could not decide.

Federal allocation account is effective

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	43	79.6	79.6	79.6
	A	11	20.4	20.4	100.0
	Total	54	100.0	100.0	

79.6% of the respondent strongly agreed that Federal allocation account is effective, while 11 representing 20.4% of the respondent agreed.

Federation account has impact on economic growth.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	30	55.6	55.6	55.6
	A	18	33.3	33.3	88.9
	UND	6	11.1	11.1	100.0
	Total	54	100.0	100.0	

55.6% of the respondent strongly agreed that Federation account have impact on economic growth, 18 representing 33.% of the population agreed while 6 representing 11.1% of the respondent could not decide.

Federation account is shared between federal and state government.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	18	33.3	33.3	33.3
	A	23	42.6	42.6	75.9
	UND	13	24.1	24.1	100.0
	Total	54	100.0	100.0	

Table 11 above shows that 18 representing 33.3% of the respondent strongly agreed that Federation account is shared between federal and state government, 23 representing 42.6% of the respondent agreed while 13 representing 24.1% of the respondent could not decide.

Bauchi state revenue has grown federation account.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SA	17	31.5	31.5	31.5
	A	16	29.6	29.6	61.1
	UND	21	38.9	38.9	100.0
	Total	54	100.0	100.0	

31.5% of the respondent strongly agreed that Bauchi state revenue has grown federation account, 16 representing 29.6% of the respondent agreed while 21 representing 38.9% of the population could not decide.

Test of Hypotheses

Table 4.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760[a]	.578	.570	.325

a. Predictors: (Constant), federation account allocation

Table above revealed that there is a relationship at R = .760 between federation account allocation and financial reporting. An examination of the table shows that R square = .578 which implies that financial reporting accounts for 57.8% of variations having a significant effect on the level federation account allocation.

Table 4.2 ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.537	1	7.537	71.259	.000[b]
	Residual	5.500	52	.106		
	Total	13.037	53			

a. Dependent Variable: Financial reporting

b. Predictors: (Constant), Federation account allocation.

Table 4.2 shows that the F-value is the Mean Square Regression (7.537) divided by the Mean Square Residual (0.106), yielding F= 71.259 From the results, the model in this table is statistically significant (Sig =.000). Therefore, Federation account allocation is a significant predictor of financial reporting at F (1,53) = 71.259.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.500	.116		21.506	.000
	Federation account allocation	-.500	.059	-.760	-8.442	.000

a. Dependent Variable: Financial reporting

The table above revealed the degree of influence of financial reporting on federation account allocation of the firm and its level of significance. The statistical results is given as; (federation

account allocation; β= 2.500; t= -8.442; p<0.00). The statistical result implies that financial reporting is a statistically significant predictor of Federation account allocation.
Linear Regression Model is given as Y = a + βX
Where Y = Financial reporting
a = constant
βx = Coefficient of X
Therefore Financial reporting = 0.311 + 1.236 federation account allocation.
Based on the results in the ANOVA table above, the significance level for all items are less than 0.01 therefore we accept the alternative hypothesis and reject the null hypothesis. That financial reporting have significant effect on income earners.
the F-value is the Mean Square Regression (1.540) divided by the Mean Square Residual (0.230), yielding F= 6.708 From the results, the model in this table is statistically significant (Sig =.012). Therefore, compliance is a significant predictor of financial reporting at F (1,53) = 6.708.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.071	.171		6.254	.000
	Compliance	.226	.087	.338	2.590	.012

a. Dependent Variable: financial reporting
The table above revealed the degree of influence of financial reporting on compliance and its level of significance. The statistical results is given as; (compliance; β= 1.071; t= 6.254; p<0.00). The statistical result implies that financial reporting is a statistically significant predictor of compliance.
Linear Regression Model is given as Y = a + βX
Where Y = Financial reporting
a = constant
βx = Coefficient of X
Therefore Financial reporting = 0.087 + 0.171 low federation account allocation.
Based on the results in the ANOVA table above, the significance level for all items are less than 0.01 therefore we accept the alternative hypothesis and reject the null hypothesis. That financial reporting have significant effect on compliance.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.559[a]	.312	.299	.631

a. Predictors: (Constant), implementation
Table above revealed that there is a relationship at R = .559 between implementation and financial reporting. An examination of the table shows that R square = .312 which implies that financial reporting accounts for 31.2% of variations having a significant effect on the level implementation.

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.420	1	9.420	23.630	.000[b]
	Residual	20.729	52	.399		
	Total	30.148	53			

CONCLUSION

The issue of Impact of Compliance with Federation Account Allocation Committee Guidelines on the Financial Reporting of Bauchi State Government projects has become the order of the day in our Government system. This is a result of poor allocation of federation account. The study therefore, focused on the compliance of federation account committee guidelines on financial report particular reference to Bauchi State government in Nigeria. Data collected and hypothesis tested revealed that inadequate feasibility study shows that Bauchi state government adopt federation account allocation; effective management in Bauchi State and growth in Bauchi internal generated revenue.

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