INTERNATIONAL JOURNAL OF INNOVATIVE RESEARCH & DEVELOPMENT

ISSN: 2278 – 0211 (Online)

Strategic Control And Revenue Generation: A Critical Success Factor In Local Government Administration Using The Balanced Scorecard

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Abstract:
Internal revenue generation is supposed to be a major source of income to States and Local Governments in Nigeria as the external sources are subject to fluctuation such as experienced in the month of September 2013 leading to inability of the government to pay staff salaries. The weak controls in the systems of revenue generation and workers attitude motivated this study to interrogate the application of strategic control and the balanced scorecard in enhancing revenue generation towards the attainment of overall organization goal as it highlighted the requirements of IAS 18 on revenue recognition. The study is descriptive and adopted the desk research approach, using secondary sources of data such as journals, text-books, accounting standards, government papers. The study found that there is need for re-engineering the whole system through strategic controls and using the balanced scorecard as an appraisal system for staff performance which when properly linked with organization objective will enhance increased revenue generation. The study concludes that the performance appraisal system currently in use is counter- productive and subject to abuse thus, it should give way to the use of the balanced scorecard which is goal-directed.

Key words: *Strategic Control, Balanced Scorecard, Revenue generation, Local Government*

1.Introduction

Strategies are designed as a means of achieving desired goals and objectives. Due to the vast rate of technological developments, the use of strategies has become crucial to attaining the objectives. Hofer & Schendel (1979), defined strategy as the mediating force between the organization and the environment. When linked to the process of management, it is viewed as an organized development of the resources of the functional areas such as revenue service, marketing, manufacturing etc. in pursuit of its objectives in the private sector that is also applicable to public sector like the Local Government system. From the foregoing, strategy as a means of achieving set objectives, its link to revenue generating service requires laying plans that will move from general to specific with a view to executing the real intent of revenue generation efforts particularly in the public sector. Strategies are plans directed at achieving specific organization goals. Revenue generation is the main source of income to the Federal, State and local Governments. Government revenue has been found to be nose diving from time to time due to the weakness in the control framework.

To address this problem, requires proper implementation of plans directed at enhancing adequate revenue generation. IFRS 18, recommends that revenue recognition is dependent upon the terms of the contract between the entity and the buyer of goods, the recipient of the services or the users of the assets of the entity. Revenue should be measured at the fair value of the consideration receivable or received net of any trade discounts and volume of rebates given by the entity. The International Accounting Standards Board (IASB)'s framework stipulates that revenue is to be recognized when it is probable that future economic benefits will flow to the entity and reliable measure of the quantum of revenue is measurable. The following applicable strategies for revenue generation have always been very helpful

- Planning of the available resources such as personnel, mobility etc.
- Framework of revenue collection from internal to external coverage in order to maximise collection of revenue with minimum input.
- Framework to safeguard revenue collected up to the designated account.

The aim of revenue generation as laid down by the Federal Government is income generation through personal and income taxes, adverts or billboard, business premise registration among others. Due to the wideness of the revenue sources, tactical plans are needed to get a grip of harnessing resources to enable collection, and reduction or elimination of tax avoidance and evasion. In order to affect plans for the organization, the area of focus has always been finance in which costs of production, selling and distribution, wages and maintenance have been emphasised especially in the manufacturing and profit making ventures. In the public sector the goal setting focuses on services to be rendered, which will translate to timely completion of individual schedules to converge in the annual financial statement to be produced. The Revenue Unit under Treasury Department is charged with the duty generating income while the presence of the staff of this department is in other departments. Hence, this unit is faced with the Herculean task of collecting revenue in various forms as stipulated in the Fourth Schedule of the 1999 Constitution of the Federal republic of Nigeria.

According to Norton `& Kaplan (2012), the finance focus is not enough to effectively handle the diverse types of revenue to be collected. Even though the financial health of an organization is essential, there are other interrelated factors which are necessary for success. Strategic plans aimed at achieving organizational goals should consider the satisfaction of everyone that is connected to achieving the revenue collection goal. Therefore, improving the approach to the task requires setting of goals, which has to do with the quality of service, income generation mix along with other drivers directed at attaining organization goals. In line with this, the study interrogates a tool that is expected to cater for better measures of the organization's capabilities that will create long term value by identifying relevant key drivers such as customers, financial and operational plans, and innovativeness that may find expression in the balanced scorecard.

This is to give room to measures that indicate the organizational strategies, implementation and execution that enhance the goals and yield improvement in the status quo. Interaction between each of these critical organization functions can be result oriented under a framework of controls that can be instituted to serve as a guide for every action and also as a means of attaining checks and balances. The control function emanates from top to bottom that is vertical and in between each functional staff, that is horizontal. In the public service, the line of authority is from top to bottom and as such top-down control subsists for organization functions. Internal control, according to Hassan (2001) is defined as the whole system of controls financial or otherwise, established by management in an orderly manner to safeguard its assets, and secure as far as possible the accuracy and reliability of its records. By public service is meant establishments that are directly under the umbrella of the government at federal, state or local government area, but the specific attention in this study focuses on the Local government system. According to Fletcher (2004), the application of the Balanced Scorecard (BSC) could also present as strategising in the use of available resources such as human manpower, finances and other resources to attain set goals. The study is descriptive and material sourced from secondary sources like Local Government document, relevant books and journal among others.

2.Statement Of Problem

A very pertinent link to maximising organizational effectiveness is the commitment to the attainment of set objectives which are tagged to each person's duty. As a public organization is largely not profit making nor wealth maximization but the performance of tasks, regularity at work and other indices as laid down by the Civil Service Rule. Often, there are laxities from one office to the other, cases of missing files, irregularity at work, falsification of receipts, misappropriation and general non-performance of duty on schedule time. These are forms of set-backs that affect performance and create room for ineffectiveness in the public service particularly at the Local Government level. Overcoming these weaknesses is crucial to the revenue generation objective.

According to Banker et al (2006) a goal - directed appraisal system that details how to combine effectively individual and organization goals as a measure of their performance, but to a large extent, these are lacking in the public sector and could be partly responsible for public loss of faith in any service connected with government. To redress these challenges, the study interrogates the adoption of the balanced scorecard as a measure to enhance the effectiveness of revenue generation.

3.Objectives

The broad objective of this research is to examine how strategic control and the balanced scorecard as a means of performance appraisal can transform the attitude of workers with a view to enhancing overall organization's goal in order to overcome the inherent weakness in the revenue generation process. This will be attained through the following sub objectives:

- To examine the existing methods of revenue generation at the Local Government system.
- To evaluate the challenges associated with the adoption of balanced scorecard and means of overcoming them.
- To direct government attention to inherent advantages of balance scorecard.

4.Methodology

The study was described and used secondary method of data collection. For secondary sources, the study relied on relevant text books, journals, government documents, internet and annual report of the Kwara State Local Government Audit in Nigeria. The study approach is used to bring out the current issues pertaining to the application of strategic control and balanced scorecards to achieve the set goals of the organization as revenue income is enhanced at minimum cost.

5.Conceptual Clarification

5.1.Revenue Generation

All receipts from the government on account of income collected is termed revenue. Hassan (2001) defined revenue as tolls, taxes, rates, fees, penalties, rents, forfeitures, dues and other receipts of government from whatever source arising over which legislature has the power of appropriation including proceeds of loans raised. Section 160 (9) of the 1989 Federal constitution and section 5, 162 (10) of 1999 constitution defined revenue as any income or returns accruing to, or derived by the government from any property belonging to government, any return by way of interest on loans and dividends in respect of shares or interest held by the government, in any company or statutory body incidental sources resulting from a particular environment, permissive sources from normal operations and statutory sources recognized by the Nigerian constitution. The increasing cost of running government revenue has left various states and local governments in Nigeria with formulating strategies to improve revenue base as right observed by Kiabel and Nwokah (2009).

For a successful revenue generation, revenue control is put in place to ensure timely collection of government revenue, and ensuring that amount due are actually collected as well as ensure that revenue generated are paid to the coffers of government. Though financial instruction provided for an efficient handling of government revenue, but in practice the regulations are more often than not flouted for personal gains due to weak internal control and other attitudinal problems. This, in effect, accounted for dwindling revenue due to the challenges associated with the procedures adopted for collection and naked corruption as demonstrated in Nzotta, (1995) and Aluko (2006). The deficient procedure included

use of task force and tax personnel that were dishonest and the legal system that made it difficult to deal with tax offender due to collusion between the tax payers and the collectors. Poll tax is one of the sources of revenues for the LG and The World Bank (2000) views taxes as

compulsory transfer of resources to the government from the rest of the economy.

5.2.Matching Strategies with Revenue Objective

Strategies are designed as a means of achieving desired goals and objectives. Due to the vast rate of technological development, the use of strategies has become crucial to attaining set objectives. Hofer & Schendel (1979) defined strategy as the mediating force between the organization and the environment, when linked to the process of management; it is viewed as organized development of the resources of the functional areas such as revenue service, marketing, manufacturing among others. The link of revenue generation to attainment of objectives require laying plans and controls that will move from general to specific with a view to executing the real intent of revenue generation. The Federal Government focuses on income generation through personal income taxes, adverts, business premise registration, company income taxes, tax clearance, motor vehicle registration and licensing and so on.

To attain this, strategic plans are made by the organization such that the roles of employees are clearly stated in line with expected performance goals. Strategy according to Horngreen (2009) is making a specification of how the organization can match its capabilities with available opportunities in the workplace in order to achieve its objectives. Practically, strategies require plans that are fool proof, and applicable to current day needs. According to Porter (1996), formulating strategy involves having a thorough understanding of the organization. Organizations do this by focusing on problem areas, which present as deterrent to doing things right. Some of these problems earlier stated affect the way issues and needs of those being served are attended to.

Delay generally occurs in addressing the needs of those interacting with the organization. Those in the organization too experience delay in being promoted, receiving their salaries and increment as at when due. With organization strategy, it requires a re-engineering process which involves quality management techniques for which staff members need to be trained, institute effective process-control methods, and empower staff members to make decisions that will improve quality. Thus Sandberg (2001) affirms that reengineering the business will consider cost reduction and quality improvement. Reengineering means redesigning service delivery processes so as to improve current performance. Applicable strategies for revenue generation include:

- Planning the available resources such as personnel, mobility and making provision for additional needs.
- Framework of revenue collection from internal to external coverage in order to maximise revenue collection
- Framework to safeguard the revenue collected up to designated account.

5.3.Balanced Score Card

Several approaches were used in highlighting the concept of balanced scorecard. Bernard (2012), defined the concept as a strategic performance management framework that allows organizations to measure the delivery of their strategy. Kaplan and Norton (2001), describe the balanced scorecard as a bridge between strategic planning and budgeting. They identified four generic perspectives that cover the main strategic focus area of the company; these are financial, customer, internal process, learning and growth. Horngreen et al (2006) view the balanced scorecard as a comprehensive framework that if used rightly can translate a company's vision and strategy into a coherent and linked set of performance measures which include outcome measures and performance drivers of those outcomes. Using the BSC rightly however means there is no breakdown in the internal control system of the organization. This agrees with the position of Kaplan & Norton (2003) in which the BSC is seen as four - part perspective which covers financial, customer, internal and learning and growth through which the strategic plans are established to lead to attainment of organization goal.

6.Revenue Generation In The Local Government System

The constitution of the Federal Republic of Nigeria 1999 CAP C23 L.F.N. 2004 specifically states the types of internally generated revenue that are exclusive to the local government councils. These consisted poll tax, levies and rates over wide range of activities. Since 1976, with the emergence of Local Government as the third tier of government, and for the first time the local government reform was initiated and coordinated by the Federal Government by producing the Guidelines for Local Government Reform. There emerged a common structure, sources of revenue and personnel management system. This is referred to as unified local government system. It was reasoned that the implied autonomy of the local government will be a mirage if not relatively backed with financial resources. Hence, the 1976 Edict as adopted by the State government presented the areas of revenue generation for the Local governments.

This reform further provided that the local governments in each State should receive statutory allocations from their States revenue and from Federation account. To start off the scheme, the Federal Government allocated two hundred and fifty million Naira to the local government in 1976 to kick-start the scheme and this experimentation continued till 1981(Local Government Yearbook,1998). With the promulgation of Revenue Allocation Act, 1981, 10% respectively of the Federation Account and a state's total internally generated revenue were to be shared by the local government.

As part of the Dasuki report , (19), it frowned on state Government's encroachment on revenue sources of L.G, and denounced their failure to make statutory contributions to their LGS. In 1990, the allocation to LG from the Federal Account was increased to 15% and further raised to 20% in 1992. This led to expanded autonomy in the operation of the LG under the Military regime as reflected below between 1993 1995.

It is essential to note that prior to year 2000, most Local Governments engaged directly in revenue collection through the Revenue Section of the Treasury Department. Experiences have showed that the procedure adopted was not goal oriented as promotion and reward were not tied to performance. Therefore, the traditional approach of aimlessly roaming the street, harassing helpless victim and Lack of coordinated record of their targets served as a huge barrier. engage the services of consultants. Inspite of this development, many consultants working side by side with the Revenue staff did not accomplish greater success in revenue generation. This position informs the goal of this paper to examine the adoption of strategic control in revenue generation using the Balanced Scorecard.

Currently, the sources of revenue for the LG consisted of statutory allocation of 20%, 10% of Revenue generated by the State Government, its share of Value Added Tax (VAT) and the internally generated revenue. It has been observed that there have been over reliance on federal allocation that accounted for up to 90% of revenue source. However, because of the over reliance on federated sources, there has been little or no concerted effort towards improving internally generated revenue. It has been reasoned in some quarters that part of the challenges facing the LG is that of inadequate finance, but the study argues that the inability to efficiently, effectively and honestly annex its internal resources for developmental purposes and judicious use of available resources are the major issues. This scenario poses a serious threat to the survival of the system and calls for examining in this paper the existing system of revenue generation.

7.An Analysis Of Revenue Receipt By Local Government In Nigeria, 1993-1995 And 2007-2011

It cannot be overstated that the internally revenue generation profile of the LG is poor as there was over reliance on their share from the federated account. While it cannot be denied that the Federal Government has been in control of most of the highest sources of revenue,that could not be an acceptable explanation for all the LGs to wait on external sources to finance more than 90% of their budgets.

For instance, the Local Government Yearbook (1998) revealed as contained on Table 1 below that between 1993 – 1997, the highest internally generated revenue for all the Local Government Areas then was two hundred and ninety million Naira that constituted about 1.6% of the total revenue received. In 1994, the percentage of internally generated revenue dropped to 1.06% while 0.07% in 1995.

S/No	Source	1993	1994	1995
1	Federated Account	18,316.4	17,321.3	17.983.4
2	State Allocation	257	348.1	464
3	Value Added Tax	0	0	4,264.4
4	Internal Revenue	289.9 (1.6%)	212.7 (1.06%)	180.7 (0.7%)
	TOTAL	19,915.6	19,972.7	24,863.4

Table 1: Local Government Revenue Profile (1993 - 1995)
Source: Central Bank Of Nigeria, Annual Report And |Statement Of Account As At Dec. 1995, Page 71 In Local Government Yearbook, 1998

In addition, the table 2 below revealed that between the periods of 2007-2011, the percentage of internally generated revenue over the total receipt was on decline. Table 2 is a comparative analysis of the receipt between 2010 and 2011. In year 2010, the percentage of internally generated revenue stood at 1.9%, but dropped to 1.7% in 2011. This is inspite of the services of Consultants engaged by the LGs in Nigeria. The implication of this dependency syndrome is that Nigeria revenue depended on oil revenue that accounted for more than 80% through which the LGs are deriving more than 97% of their revenue. A short fall from the federated account means near collapse of the activities in most of the LGs in Nigeria. This overdependence is considered as dangerous for sustainable development in Nigeria.

ITEM	Local Governments' Revenue				SHARE IN OVERALL GDP	
	2010		2011		2010	2011
	AMOUNT (₦, BILLION)	SHARE (%)	AMOUNT (₦, BILLION)	SHARE (%)	%	%
Federation Account	716.0	52.7	940	58.6	2.4	2.7
Excess Crude Revenue	158.9	11.7	80.7	5.0	0.5	0.2
FGN Refund to LG	121.6	8.9	11.5	0.7	0.4	0.03
Budget Augmentation	78.7	5.8	246.6	15.4	0.3	0.7
Exchange Rate Gain	7.1	0.5	0	0	0.02	0
VAT	189.1	13.9	218.2	13.6	0.6	0.6
Internally Gen. Revenue	26.2	1.9	27.3	1.7	0.1	0.1
Stabilization Fund	12.6	0.9	21.3	1.3	0.04	0.1
State Allocation	12.7	0.9	14.0	0.9	0.04	0.04
Grants & Others	36.3	2.7	44.1	2.7	0.1	0.1
TOTAL	1,359.2	100	1,603.8	100	4.5	4.6

Table 2: Local Government's Revenue
Sources: Federal Ministry Of Finance, Office Of The Accountant-General Of The Federation, CBN Survey Of State And Local Government In5central Bank Of Nigeria Annual Report – 2011

Furthermore, table 3 below is the result of selected LGs in Kwara State in respect of their performances in internally generated revenue in 2011. The amount reflected as statutory allocation consisted of the total receipt beyond the sum generated directly by the LG. These consisted of statutory allocation, VAT, moritized car loan, 10% of the State's internally generated and special crude oil account. Like the records contained on table 2 above, it is Baruten LG of the four selected LGs that generated 3.1% 0f the total receipt while Ekiti LG generated 0.32%. a close observation from this record is that it challenges the financial viability of this LGs. In addition, it call for the reconsideration of the system adopted in revenue generation that motivated this study.

	STATTUTORY ALLOCATION Jan.–Dec,2011	IGR Jan.- Dec.2011	% of IGR
Baruten LG.	N 1,468,132,227.99	45,466,740	3.1
Ekiti LG.	N 652,969,564.82	N4,685,573.55	0.32
Ilorin west	N1,475,472,097.3	N 24,960,119.8	1.7
Isin LG	N 705,999,913.06	N 8,768,699.35	1.24

Table 3: Sampled Local Governments IGR, Kwara State
Source: (2011 Report Of The Auditor General For LGS

The issue to consider in dealing with the identified problem areas is the need for innovation. Innovation in this wise involves changing from the old system of doing things, fashioning new plans to improve the system of revenue generation, Newman in Hofstand (2012) agree that cost reduction could also be a means of improving the orientation the workers were used to. Cost reduction could be made through the payment of mileage to employees instead of giving official car this practice happens to have been introduced by the

Federal government in public offices. Also, the use of virtual communication to minimise office space rent, using just-in time system of inventory to avoid storage costs, provision of insurance allowances for employees instead of group health insurance, engaging more networking to cut wastages in form of redundancy, overstated bills, ghost workers and use of a payment plan in order to minimise collection costs . Even though the public sector is not profit oriented yet the strategies that apply to profit oriented organizations can as well enhance the desired improvement in the functions of the Revenue Service Department. This is because the target for both is improvement in status, growth and attainment of goals.

According to Quinn (2010), the commitment of each staff is essential, while leaders are expected to lead by example. The use of team spirit involves discussing and agreeing on issues of organization objective and means of achieving it. This will enhance the commitment of all concerned with the product and service delivery. The final scorecard will be communicated to all employees while the top management will use this to evaluate employee performance. Benefits of engineering are most significant when focusing on the entire business process. This can be seen in the following core perspective as suggested by Kaplan and Norton (2006) :--

Financial perspective: It evaluates the profitability of the strategy and considers cost reduction relative to competitors' costs and sales growth (a strategic initiative) while the financial perspective focuses on how much of operating income results from reducing costs of generating the states' revenue.

Customer perspective: It identifies targeted market segments and measures the organization's success in the segment. It equally considers the number of new customers and customer satisfaction rating. Customer satisfaction rating will consider timeliness, and quality of service in attending to their requests. For example, the time lag between the submission of an application for tax clearance and the time the tax clearance is ready without offering bribe or connecting for extra assistance is the measure of the staff service.

Internal business perspective focuses on internal operations that create value for the public. Using strategic initiative, services and processes are created to meet service needs of the public. Based on this, Spechbacher (2003) suggests that quality service is an additional strategy aimed at attaining set objectives both at personal and organizational levels, and improving service delivery time by way of reduction in the time taken for goods or services to reach the customer as scheduled. Moreover, the service process is re-engineered to meet public demands for immediate and on the spot delivery or delivery by post where necessary as in the case of collection of tax receipt, certificates and licenses. To enhance achievement of internal processes that create value for the general public, Nooreklit (2003) opined it is necessary to identify organization capabilities that can enhance a successful reengineering process.

According to Horngreen (2009), all four perspectives are linked to the organization's strategy and should positively affect the rate of revenue generated over time. When the balanced scorecard is implemented employees are able to learn that the aspects of their performance that are measured are very important. Employees are motivated as they report an increase in measures for which they are directly responsible. Etim & Agara (2011), however suggested a fifth perspective to improving both staff and corporate performance. This fifth part according to Etim &Agara (2011) is environment and culture owing to the effect which both have on organizations performance.

Empirical studies indicate that organizations using the balanced scorecard could effectively enhance accomplishment of strategic goals and performance; this was affirmed by Der-Jang & Hsu-Feng (2011). Kaplan & Norton (1994) in their research explained the development process of the BSC in order to ensure attainment of organization goal using banks and insurance industries. The BSC is a tool that links strategies to organization goals. Thus strategising in the public sector will enhance goal-directed functions of the establishment. According to Ali-Rahimi (2013), balanced scorecard provides a mechanism to align the activities and processes of different groups with long term goals of the organization. He used the BSC models to improve the performance of the organization. Porter (1996) however views the attainment of organisation goals as being achievable through reengineering of organization strategies. Thus, it is necessary for the Internal Revenue service department to re-engineer her service drivers by making strategic plans aligned with relevant strategic controls to effectively carry out the revenue generation function.

Advance Performance Institute (API, 2013), argues however that the balanced scorecard is synonymous with almost any other appraisal performance measurement or management system hence he says it is easy for most organizations to claim the use of balanced scorecard since they use the performance appraisal system. Balanced scorecard refers to a system by which an organization assesses key performance measures from the perspectives of performance in the financial, customer, internal business processes, learning and growth. Ericcson (2010) suggested that these are means by which each member of staff performing key functions are expected to measure their performances on the job especially their contribution to organizational goals of increasing performance and organization synergy.

8. Prospects Of Good Balanced Scorecard (BSC)

The balanced scorecard has not been fully embraced by the business and public sectors in Nigeria. The following characteristics of a good scorecard are highlighted in order to encourage its use. Kaplan & Norton (1994), Al-Rahimi (2013) and Der-Jang& Hsu Feng (2011) affirm the following features of the BSC.

- It tells the story of the organization's strategy, highlighting the steps of the cause and effect relationships, and the links that describe the various perspectives of the strategy.
- It communicates the strategy to all members of the organization by translating the strategy into a coherent and linked set of understandable and measurable operational targets.
- It guides the managers/directors and employees to take actions and decisions that will enhance the achievement of the company's strategy.

- It serves as a motivator for managers/directors to take actions that will lead to improvement in financial performance instead of managers focusing too much on innovation and quality as an end. When financial and non-financial performance measures are properly linked to strategy implementation is made easy.
- According to Kaplan & Norton (2001), the balanced scorecard serves as a bridge between strategic planning and budgeting; a link that allows for reviewing performance with plans.
- Bernard (2012) affirms that the BSC enables the management to monitor performance and manage its strategy. The inherent benefits of using a scorecard are promotion of causal thinking, spurring managers to rely on empirical evidence rather than faith alone for testing the validity and strength of various connections. This enables a company to focus on key drivers that are important for implementing strategy.
- A good scorecard, is characterised by its ability to project the organization’s strategy, strategic communication to all members by translating the strategy into a coherent and linked set of understandable and measurable operational target,
- Motivates departmental heads to take actions that result in improvement in financial performance and limits the number of measures to critical ones.
- Balanced scorecard highlights less than optimal trade-off that managers may make when they fail to consider both operational and financial measures together. Thus, it is expedient for organizations in Nigeria to improve their performance rating by adopting the balanced scorecard.

9. Challenges Of Implementing The Balanced Scorecard

The following are the challenges the study identified in implementing a balanced scorecard: linkages between nonfinancial and financial measures must be obtained and this usually creates a necessity for change. There may not be improvement on all the measures all the time. There is usually a need to use both objective and subjective measures. The implementation of the balanced scorecard requires IT resource. Extant literature affirms that more than half the businesses in the US embraced the balanced scorecard. API (2012) quoting the Gartner group suggests that over 50% of large US firms had adopted the BSC while 44% of smaller organizations use the BSC. It was stated further that in Germany, Austria and Switzerland, 26% of firms use the BSC. In Nigeria however, the BSC has not been given wide recognition even in the profit making organizations.. Equally, choosing a balanced scorecard solution may be risky as there are over two dozen solution providers. Determining the best offer require experience and knowledge of the tool.

The application of score card might be challenged in the public sector particularly among those in leadership position because it might expose their weakness in terms of knowledge, accountability and integrity as there are cases of collusion among the high and low for financial gains. According to (Behery 2005, Etim & Agara 2011), to successfully implement a balanced scorecard require commitment and good leadership from top management. Currently, the public sector is embarking on a series of human capital development that may solve the challenges associated with manpower and this is expected to continue. The scorecard helps team building as functional departments work together to attain set goals and it is very helpful for profit, non-profit and government organizations. To achieve this, the teams would meet to discuss and agree on the scorecard objectives, establish a linkage across the objectives, the final score card will be communicated to all employees and the top management will use this to evaluate employee performance. For every strategic decision, different scorecards are prepared. Hence, there is the need to align the scorecards to organizational objectives with specific reference to revenue collection.

For the employees, the greatest challenge is resistance to change and the fear of losing out in the new arrangement coupled with the fact that it will to a greater extent block the sources of illegal funds. The balanced scorecard as a measure of performance challenges the employee to align his action in line with organization objective and to execute his or her roles such that attainment of objectives is enhanced. Failure in this wise may determine the job, promotion and otherwise of the employee. This however may serve more as a motivation to perform for the employee since he would rather prefer to remain employed than lose his job.

The application of the balanced scorecard requires apart from discussion, adequate communication procedures and means to enhance interaction that affects the operational perspectives of the organization. To overcome some of these challenges of implementing the balanced scorecard framework, management has to put in place an enabling environment (Kaplan &Norton 2006), Hsu-feng (2011) such as equipments, motor vehicle, policies, line of communication, job conditions etc. for all concerned in the execution of the goals of the activities of the organization. Each of these factors actually impact the employee function and by implication affect the organization overall achievement.

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10.Conclusion And Recommendation

The study concludes that in spite of the challenges of adopting a balanced scorecard in revenue generated at the LG level; such challenges could be overcome given that the operators of the system will put the interest of the service first and foremost in their consideration. The performance appraisal system as embedded in the balanced scorecard can serve as an encouragement to workers especially when it leads to recognition of their contribution to achieving the organization's goal. The study further concludes that employees with key functions actually have roles to play in enhancing organization growth and service delivery as their contribution can be measured using the balanced scorecard method. The balanced scorecard is highly relevant to the needs of the revenue department given the current challenges of revenue generation and the expectation from the state government that revenue income should improve in order to enable governments to address the pressing needs.

The study therefore recommends that there is the need to plan and institute strategic controls that will enhance the performance of the entire staff of the revenue department that will entail target setting. This is important in order to harness the gains of the implementation of the balanced scorecard with a view to attaining the set objectives of the department. The workers' performance should not be overlooked but the rewards should be attached to outstanding performance while poor performance is sanctioned. The recruitment and the selection process in the LG should be reviewed that donation of staff on political patronage rather than competence should be discouraged. The revenue staff should be properly trained and retrained in order to prepare them for the task of adopting the balanced scorecard method noting that if it is successfully adopted in the public it could be made to achieve the same result in the public sector

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